

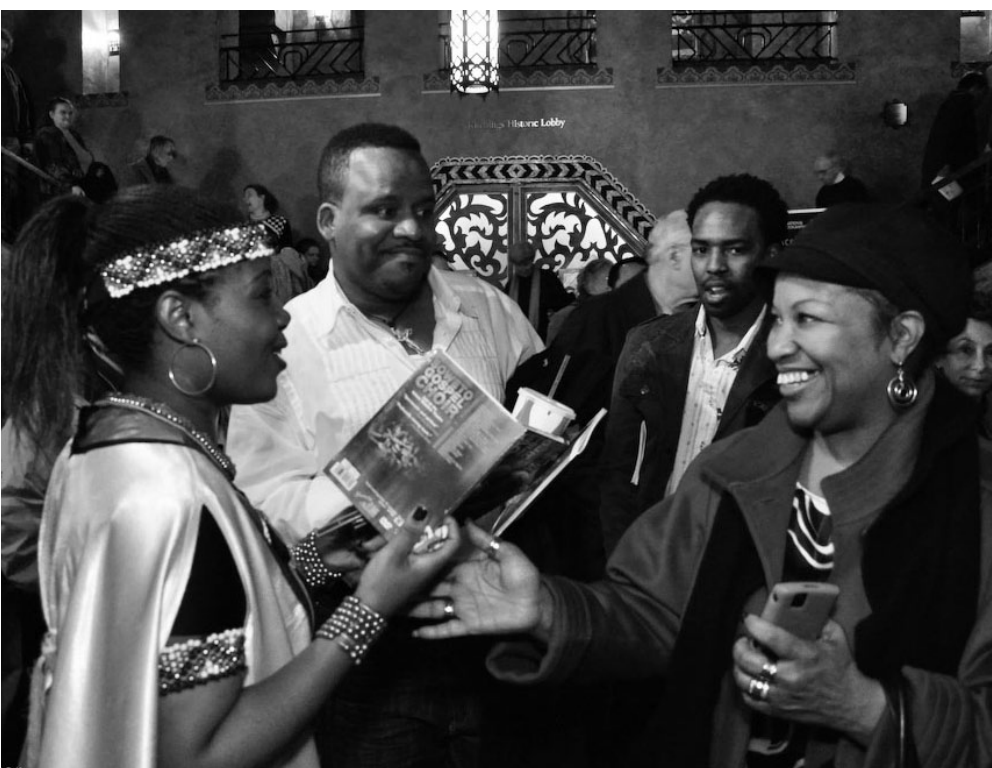
NEW ENGLAND'S CREATIVE ECONOMY: NONPROFIT SECTOR IMPACT

SEPTEMBER 2011



NEW ENGLAND FOUNDATION FOR THE ARTS

Planning Decisions, Inc. (PDI)
The Maine Center for Creativity (MCC)
Professor Charles Colgan, Ph.D.



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New England’s creative economy is one of the distinguishing strengths of our region. At the New England Foundation for the Arts, we have undertaken groundbreaking work to quantify the value of the cultural sector for over 30 years. This report on the economic impact of the cultural nonprofit sector is the latest installment, demonstrating that cultural nonprofits have a significant impact on their commercial neighbors - investing in space, staff, events, utilities, visitors - contributing as any other industry.

This year, NEFA commissioned Chuck Lawton, Ph.D. of Planning Decisions, Inc., the Maine Center for Creativity, and Professor Charles Colgan, Ph.D. to employ the methodology developed through previous NEFA cultural nonprofit sector reports and to introduce some new features. The descriptions of the impact calculations and examples of organizations from each New England state have been expanded to assist in the understanding and use of the findings for advocacy purposes. The analyses utilize the most comprehensive and timely data available.

With each nonprofit sector impact report, our intention is to provide quantitative evidence of the value of this vital subset of the creative economy, backed up by expert analysis and explanations. This year’s examples of organizations and their varied impacts can be adapted and applied to other cases. We encourage you to track your own partnerships and community stories and share with state and local policy makers and other potential supporters.

Particular thanks are due to Dee Schneidman, NEFA’s Research Manager, for her work toward compiling data and managing the development of this report; Jane Preston, Director of Programs; NEFA’s program staff who are in constant communication with creative economy constituents; and our partners in the public state arts agencies of Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont.

Use and share this report widely. And, we would love to hear from you. Your stories, questions, and suggestions are always welcome.

Yours truly,

Rebecca Blunk
Executive Director
New England Foundation for the Arts

EXECUTIVE SUMMARY

NEW ENGLAND'S NONPROFIT ARTS AND CULTURAL ORGANIZATIONS ARE AN ESSENTIAL component of the lives and communities of all the region's citizens. From the world famous museums in Boston to the smallest historic society in Downeast Maine, from performance centers in Vermont to design schools in Rhode Island, and libraries all across the region, these vital, community-based organizations play a special role in building and maintaining New England's quality of life.

In addition, these institutions—taken as a whole—contribute to the region's economy in important ways.

- 1. They constitute a major industry in their own right;**
- 2. They have grown significantly since 2002;**
- 3. They are a steady, reliable industry, less subject to the cyclical ups and downs of the overall economy than the average New England business;**
- 4. They have a major commercial impact on the broader economy; and**
- 5. They are linked to the broader economy in more ways than simple commercial spending relations.**

1. Nonprofit arts and cultural organizations comprise a significant industry

New England’s nonprofit arts and cultural organizations are not a formal industry as defined by the North American Industrial Classification System (NAICS). Nonetheless, taken as a group of enterprises that share a common interest, they constitute a major economic sector for the region. **In 2009, the spending of these 18,026 organizations amounted to nearly \$3.7 billion, and they provided jobs for over 53,000 people.** By comparison, that spending total is fully \$1 billion greater than the gross product of the region’s entire paper manufacturing industry and nearly as large as the gross product of the region’s information and data processing industry. If this nonprofit arts and cultural spending of \$3.7 billion were inserted into the list of 46 major sectors compiled by the U.S. Bureau of Economic Analysis for New England, it would rank 28th, just behind the data and information services sector (\$4.1 billion) and just ahead of the truck transportation sector (\$3.1 billion)¹. In terms of employment, the 53,273 jobs provided by the region’s nonprofit arts and cultural organizations are more than New England’s entire food manufacturing industry (45,205) and nearly as large as the region’s building construction sector (56,744). New England’s nonprofit arts and cultural employment would rank it 36th among 65 major sectors for which the U.S. Bureau of Labor Statistics reports employment totals for New England, just behind health and personal care stores (56,156 full- and part-time jobs in 2009) and just ahead of machinery manufacturing (47,683 full and part-time jobs).²

Table 1
Number & Size of New England’s Nonprofit Arts & Cultural Organizations, 2009

AREA	NUMBER OF ORGANIZATIONS	SPENDING	EMPLOYMENT	SHARE OF TOTAL STATE EMPLOYMENT
New England	18,026	\$3,680,008,106	53,273	0.80%
Connecticut	3,326	\$624,894,139	9,918	0.60%
Maine	2,292	\$261,795,444	5,246	0.90%
Massachusetts	8,125	\$2,181,347,436	27,102	0.80%
New Hampshire	1,588	\$139,104,582	2,652	0.40%
Rhode Island	1,163	\$324,476,390	5,165	1.10%
Vermont	1,532	\$148,390,115	3,189	1.00%

Sources: Number of organizations and spending are from IRS data provided by the National Center for Charitable Statistics (NCCS) and stored in CultureCount, an online database maintained by New England Foundation for the Arts (NEFA). Employment data are derived from the U.S. Bureau of Labor Statistics data and Bureau of Economic Analysis gross state product data. They are not reported directly for nonprofits, but are derived from the average employment per spending ratios of the North American Industrial Classification (NAICS) codes each organization reports on its IRS forms or is assigned by NCCS.

¹U. S. Bureau of Economic Analysis, Gross Domestic Product by State, 2009. www.bea.gov/regional/index.htm.

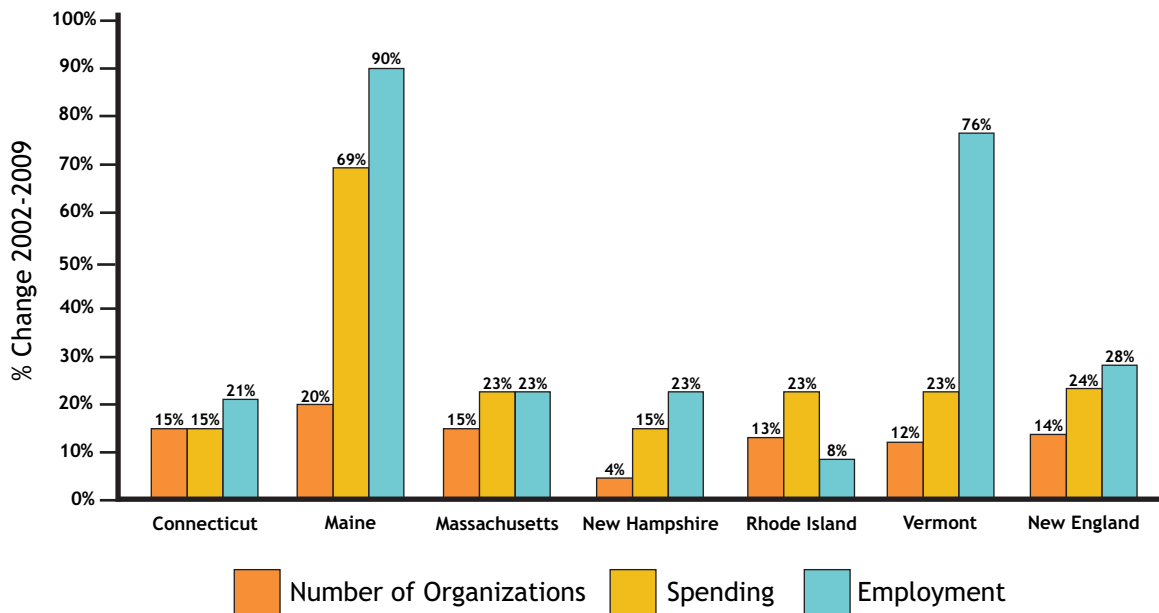
²U.S. Bureau of Labor Statistics, SA27N Full-time and part-time wage and salary employment by NAICS industry, www.bls.gov/sae/.

2. The nonprofit arts and cultural sector has grown substantially since 2002

NEFA’s last detailed report on the nonprofit arts and cultural sector was published in August 2006 and was based on organizational data up to 2002. The data gathered for this report show that these organizations have grown significantly over the intervening years. **For New England as a whole, the number of nonprofit arts and cultural organizations has increased by 14%, their spending has increased by 24%, and their employment has increased by 28%.³**

Figure 1

Growth of New England’s Nonprofit Arts & Cultural Organizations, 2002-09



Sources: Organizations and spending are from IRS data provided by the National Center for Charitable Statistics (NCCS) and stored in CultureCount, an online database maintained by New England Foundation for the Arts (NEFA). Employment data are derived from U.S. Bureau of Labor Statistics data and Bureau of Economic Analysis gross state product data. They are not reported directly for nonprofits, but are derived from the average employment per spending ratios of the North American Industrial Classification (NAICS) codes they report on their IRS forms or are assigned by NCCS. Data for 2002 are from NEFA’s report: *New England’s Creative Economy: The State of the Public Cultural Sector – 2005 Update*.

Some of the increases evident in Figure 1 are attributable to NEFA’s increased coverage of nonprofit arts and cultural organizations as more are added to its CultureCount database. Any comprehensive explanation of the differences evident in Figure 1 will require more detailed examination on an organization-by-organization basis. Programmatic and technological innovations are constantly changing the employment to spending ratios in nonprofit arts and cultural organizations, just as they are in businesses all across the economy. Nonetheless, it is clear that these organizations have experienced significant growth in numbers, in spending, and in employment over the period since 2002.⁴

³New England Foundation for the Arts *New England’s Creative Economy: The State of the Public Cultural Sector – 2005 Update*. August 2006. This report was based on 2002 data; p. 10.

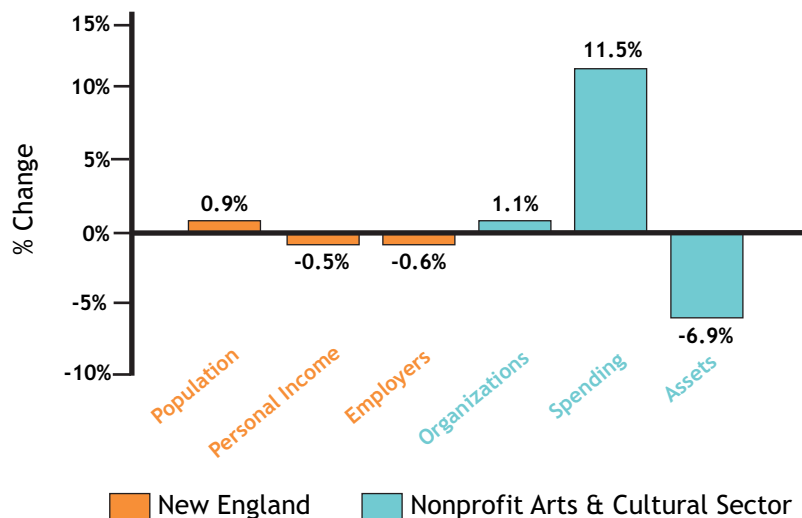
⁴The data for 2002, 2007, and 2009 are listed in the appendix.

3. Nonprofit arts and cultural organizations are a steady, reliable industry

The period 2007 to 2009 constituted the worst economic recession in the United States since the Great Depression of the 1930s.⁵ Yet even during this period, New England’s nonprofit arts and cultural organizations were able not only to survive, but also to increase their number by 1% and their spending by over 11% even as their total assets declined by nearly 7%.⁶ During a period when New England’s total population grew by less than 1%, and its total personal income, total employment, and overall number of employers declined, its nonprofit arts and cultural organizations grew in number and in spending.

Figure 2

Comparison of Change: New England's Nonprofit Arts & Cultural Organizations and the New England Economy, 2007-09



Sources: The number of arts and cultural organizations and their spending assets are taken from IRS data provided by the National Center for Charitable Statistics (NCCS) and stored in CultureCount. New England population and personal income data are from the U.S. Bureau of Economic Analysis and employer data are from the Bureau of Labor Statistics.

Between 2007 and 2009, New England’s population grew by 0.9%, personal income fell by 0.5%, and number of employers fell by 0.6%.⁷ Yet over the same period, even as their assets declined by 6.9%, the number of nonprofit arts and cultural organizations increased by 1.1% and their spending rose by 11.5%. **This juxtaposition is testament both to the commitment of the region’s nonprofit arts and culture sector to maintaining its programming in the face of economic adversity and to the stabilizing influence of this sector on the communities who enjoy its support and engagement.**

⁵National Bureau of Economic Research. "Business Cycle Dates," www.nber.org/cycles.

⁶Some of this trend may be attributed to the fact that nonprofits that closed in 2008 and 2009 may not yet have been deleted from the CultureCount totals maintained by NEFA. The data used for this study do account for new organizations, but since nonprofit organizations retain their status over periods of inactivity, there may be attrition that isn't accounted for. Nonetheless, it is extremely unlikely that any such unreported closures would have been sufficient in volume to materially affect the overall totals presented here.

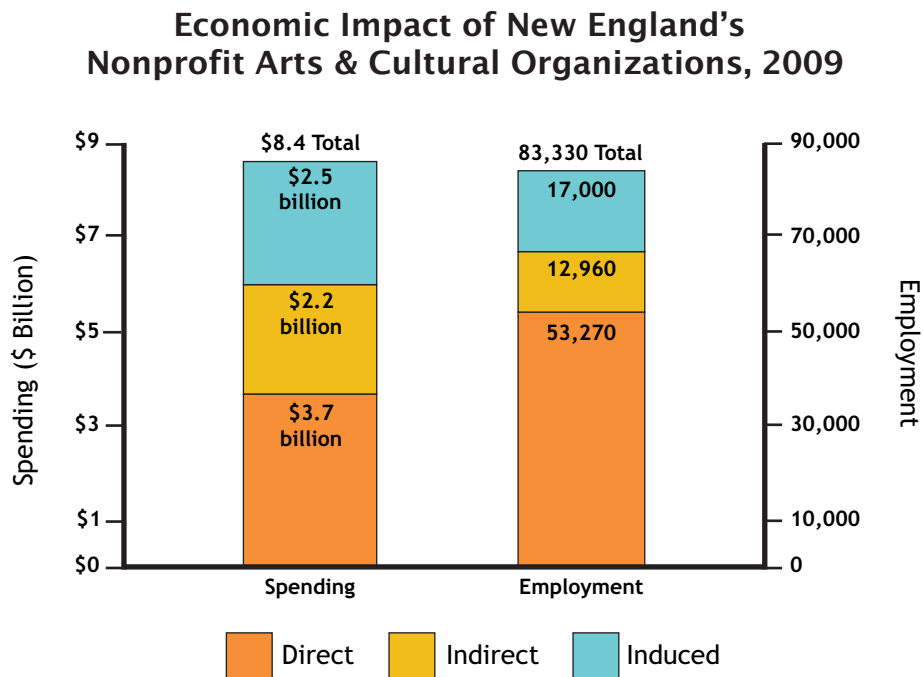
⁷U.S. Bureau of Economic Analysis; Bureau of Labor Statistics. See Figure 2.

4. Nonprofit arts and cultural organizations have a major commercial impact

Because of their size and strength, New England’s nonprofit arts and cultural organizations have a substantial commercial impact. Nearly every dollar they spend (direct impact) becomes sales to suppliers and income to employees. These businesses and employees, in turn, spend that money to buy goods and services to meet their own needs. And this process of economic “trickle down” repeats in subsequent rounds of spending, generating a total impact on New England’s economy that is far greater than the direct spending and employment of the nonprofit arts and cultural organizations themselves.⁸

The downstream supply chain sales linkages from the spending of New England’s nonprofit arts and cultural organizations to related New England businesses (their vendors and their vendors’ vendors, etc.) constitute their *indirect impact* on the region’s economy and must be added to direct impact to understand their total economic impact. The consumer-spending linkages flowing from the employees of both the nonprofit arts and cultural organizations and their vendors constitute their *induced impact* on the region’s economy.

Figure 3



Sources: Organizations and spending are from IRS data provided by the National Center for Charitable Statistics (NCCS) and stored in CultureCount, an online database maintained by New England Foundation for the Arts (NEFA). Employment data are derived from U.S. Bureau of Labor Statistics data and Bureau of Economic Analysis gross state product data. They are not reported directly for nonprofits, but are derived from the average employment per spending ratios of the North American Industrial Classification (NAICS) codes they report on their IRS forms or are assigned by NCCS. Indirect and induced data are generated by a regional impact model operated by PDI.

⁸ Direct spending figures come from IRS data provided by the National Center for Charitable Statistics (NCCS) and stored in CultureCount; indirect, induced, and total impact figures from the impact model IMPLAN of each New England state and the region as a whole as operated by Planning Decisions, Inc.

Some of the approximately \$3.7 billion in direct spending by the region's nonprofit arts and cultural organizations in 2009 became \$2.2 billion in sales to vendors down the supply chains that support this spending. In addition, another portion of the \$3.7 billion direct spending becomes \$2.5 billion in sales to the various consumer businesses where the employees of both nonprofit arts and cultural organizations and their vendors spend their incomes. **In short, the \$3.7 billion in *direct* spending by nonprofit arts and cultural organizations across New England supports *total* sales revenue to businesses across the region of \$8.4 billion.**

Similarly, the 53,270 jobs provided by New England's nonprofit arts and cultural organizations support nearly 13,000 jobs in the businesses of their commercially related vendors and approximately 17,000 jobs in the consumer-oriented businesses where the direct and indirect employees shop. **In total, the 53,000 nonprofit arts and cultural jobs generate a total of over 83,000 jobs across the region.**

The New England total impacts are greater than the sum of the individual state impacts because cross border commercial linkages true for the region as a whole do not apply as impacts within individual states (see page 26). It should be noted here that the impact methodology utilized in this report is different from that employed in NEFA's 2006 report *New England's Creative Economy: The State of the Public Cultural Sector - 2005 Update*. That report calculated total impact only on the basis of "out-of-state" income sources on the grounds that this figure represented only "new" spending coming to New England as a result of nonprofit arts and cultural organizations. **This report derives total impact from all spending by the region's nonprofit arts and cultural organizations on the grounds that this gives a better picture of the entire range of sales and employment flowing from nonprofit arts and cultural spending and employment.** This report does not claim that the total impact reported here is new to New England, just that it is the regional impact that derives from the operation of the organizations reported here.

5. The impact of nonprofit arts and cultural organizations is more than economic

Not all economic impact is directly commercial. The spending necessary to produce and present a musical performance remains the same regardless of how many people show up to enjoy it. The purely production impact as measured by dollars flowing from the organization to its employees and vendors is only the most direct measure of economic impact. There are at least **three additional impacts** that must be considered to appreciate fully the importance of nonprofit arts and cultural organizations to New England.

- » The first is the **visitor attraction impact**. Those who come to enjoy a museum or ethnic fair or historic site spend money on related businesses—for food, lodging and other shopping and entertainment. To the extent that they draw visitors from “away,” New England’s nonprofit arts and cultural organizations contribute to the broader regional economy as destination attractions.
- » Secondly, by contributing to the overall quality of place of the communities where they are located, these organizations help **attract new residents and new businesses**.
- » Finally, by **attracting, serving, and nurturing individual artists**, these organizations are building the sort of creative, problem-solving human capital in the region that will be its greatest asset in building a strong economy for the 21st century.

These impacts cannot be fully measured in any model. They are more complex, more subtle and more far-reaching. For that reason, this report includes the stories of specific nonprofit organizations, showing how their impacts reach out into individual communities. In addition, it includes a final section presenting a sample of key messages emphasizing the economic impact of nonprofit arts and cultural organizations. These messages serve as models that can be adapted by nonprofit arts and cultural organizations across New England for their own advocacy purposes. In short, this report hopes to be both a source of information and a practical tool for putting that information to use by nonprofit arts and cultural organizations across the region by providing:

- » **aggregate data on the number, spending, and employment of New England’s nonprofit arts and cultural organizations;**
- » **data on their overall economic impact; and**
- » **individual stories that illustrate that economic impact.**

Who are they?

This report follows in the tradition of earlier economic impact reports published by NEFA in organizing the region's nonprofit arts and cultural organizations into four main categories based on IRS filing status—Registered Filers, Registered Non-filers, Embedded Organizations, and Unincorporated Organizations.

- a. **Registered Filers: federally registered nonprofit organizations with revenue above the \$25,000 annual threshold** beyond which the IRS requires filing of Form 990. Data for these organizations are derived either directly from Form 990 as provided to NEFA by the National Center for Charitable Statistics (NCCS) or from extrapolations made by PDI from earlier years following the procedures established by NEFA.
- b. **Registered Non-filers: federally registered nonprofit organizations with revenue below the \$25,000 annual threshold** beyond which the IRS requires filing of Form 990. Some of these organizations do file Form 990. For these, their actual revenue, expense, and asset information was used to determine direct economic impact. For others, this report follows the example of earlier reports and uses a value of \$10,000 for revenue, expense, and assets.⁹
- c. **Embedded Cultural Departments and Programs: formally organized activities that do not constitute financially independent organizations.** They include semi-autonomous departments and programs located within larger nonprofit institutions such as colleges and universities - for example, a university performing arts center - and departments and programs embedded within public institutions such as state and local governments. These include agencies such as state and local arts councils and institutions like public libraries. For those embedded organizations for which financial information is available through CultureCount, that information is used as the basis for determining direct economic impact. For all others, this report followed the example of earlier reports and used a value of \$5,000 for revenue, expense, and assets.
- d. **Unincorporated Organizations: organizations and organized activity that either do not meet the legal requirements or fall below the revenue threshold for filing as a federally registered nonprofit.** For these organizations, this report follows the example of earlier reports and uses a value of \$0 for revenue, expense, and assets.

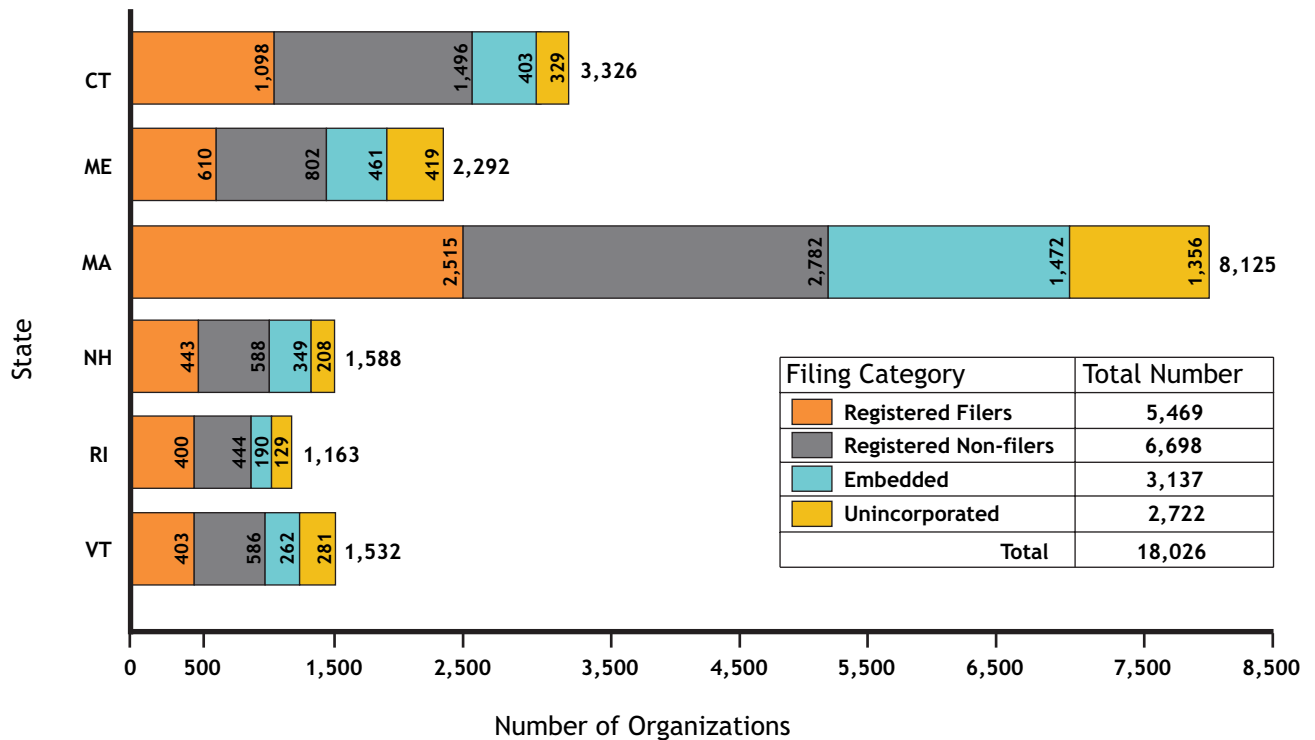
Figure 4 (page 10) presents the breakdown of organizations among these categories for 2009 for each state. The bulk of the financial information that forms the basis of this report is derived from the IRS data obtained for registered filers.

In 2009, there were 18,026 nonprofit arts and cultural organizations in New England that meet NEFA's qualifying definition. Approximately 30% of these were registered filers and

⁹ See New England Foundation for the Arts *New England's Creative Economy: The State of the Public Cultural Sector—2005 Update*. August 2006, p. 5-6. The assumption that \$10,000 represents the best estimate of revenue, expenses, and assets for registered non-filers, that \$5,000 represents the best estimate for embedded organizations and that \$0 represents the best estimate for unincorporated organizations is based on the extremely limited IRS and survey information available for these organizations, the advice of academic colleagues consulted by the authors, and anecdotal information about a variety of these smaller organizations.

Figure 4

New England’s Nonprofit Arts & Cultural Organizations by IRS Filing Category and State, 2009



Source: CultureCount database maintained by New England Foundation for the Arts (NEFA) supplemented by IRS data provided by the National Center for Charitable Statistics (NCCS).

approximately 37% were registered non-filers. Another 17% were nonprofit arts and cultural programs and departments embedded in a larger entity, and just over 15% were unincorporated organizations. The most striking fact evident from an examination of these data is that **the share of registered filers is smaller in northern New England (26% in Vermont, 27% in Maine, 28% in New Hampshire) than in southern New England (34% in Rhode Island, 33% in Connecticut, 31% in Massachusetts)**. This pattern maintains the trend evident in prior studies and underlines the importance to community identity of the opportunities or social engagement provided by smaller, less officially organized entities in the less populated sections of the region.

The vast majority of spending data come from IRS filings. While registered non-filers, embedded organizations, and even some unincorporated nonprofits undoubtedly spend some money, there is no systematic way to know how much. Therefore, most of the spending attributed to organizations other than Registered Filers comes from methodological assumptions based on anecdotal evidence and the advice of professional colleagues involved in this and earlier studies rather than objective records.

Bringing the World to Waterville

The Maine Film Center's Maine International Film Festival (MIFF) | Waterville, Maine



Barrels Community Market welcomes Maine International Film Festival (MIFF) attendees to downtown Waterville, Maine; photo by Deanne Herman.

FOR GENERATIONS, WATERVILLE, MAINE HAS been a mill town dependent on the paper industry, Colby College, its hospitals, and the seasonal tourists generated by its surrounding lakes region. In 1998, the Maine Film Center (formerly Friends of Art & Film in Central Maine) started the Maine International Film Festival (MIFF) to bring filmmakers to Waterville to share their cinematic dreams with fellow artists and independent film enthusiasts. When Shannon Haines started as a festival volunteer in 2002, people in the community were surprised and excited to see 4,000 visitors from nearby and across the nation come to their town of about 15,000 residents for a summer festival of independent films. Today Shannon is the MIFF executive director and the Festival

continues to grow, recently surpassing 10,000 admissions. Shannon's neighbors and colleagues who work in the downtown area in hotels, restaurants, bookstores, hardware stores, music stores, and jewelry stores see the transformation of their downtown when the festival is happening. These merchants are so pleased with the increase in business seen during the festival that many put banners in their store windows welcoming MIFFERS...the local acronym for Maine International Film Festival fans. In addition to increasing Main Street's retail sales, the

“Since the creation of this popular movie festival, many more thousands of people have a reason to explore and spend time in downtown Waterville.”

Mike Roy, Waterville City Manager

festival has built “buzz” through guests such as actress Sissy Spacek, and director Jonathan Demme, as an incubator for talented, creative independent filmmakers. The creative spirit of visitors from near and far brings added vibrancy to this small downtown every summer and enacts the mission of the Maine Film Center to enrich, educate, and entertain through film and art.¹⁰

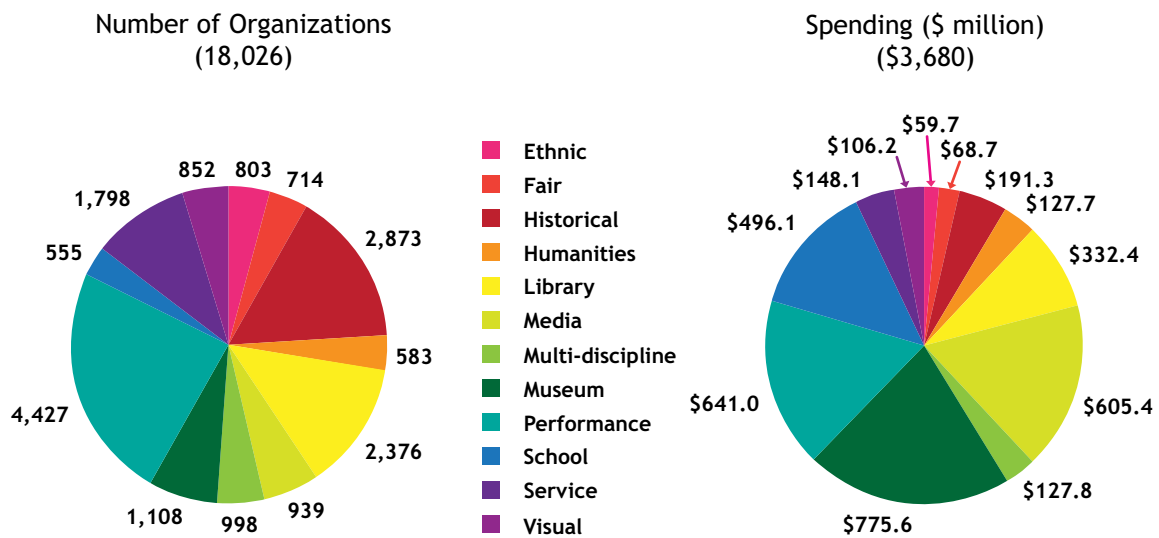
¹⁰Interview with Shannon Haines and Mike Roy, June 28, 2011.

What do they do?

NEFA has traditionally categorized New England's nonprofit arts and cultural organizations according to twelve types of primary organizational activity, referred to as disciplines. Figure 5 depicts the distribution of New England nonprofit arts and cultural organizations and their spending across these disciplines for the year 2009.

Figure 5

Number and Spending of New England's Nonprofit Arts & Cultural Organizations by Discipline, 2009



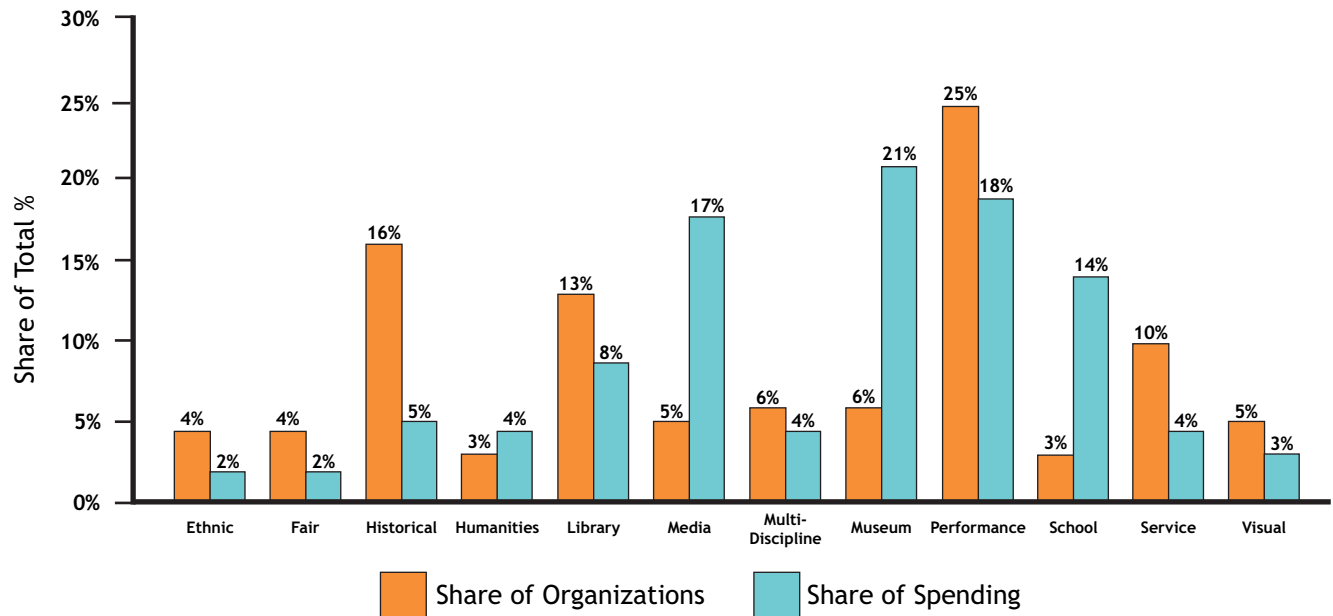
Sources: Organizations and spending are from IRS data provided by the National Center for Charitable Statistics (NCCS) and stored in CultureCount, an online database maintained by New England Foundation for the Arts (NEFA).

For New England as a whole, organizations categorized under the Performance discipline are the most common, accounting for 4,427 or 25% of the region's nonprofit arts and cultural organizations. Next most common are Historical organizations and Libraries, accounting for 16% and 13% of all organizations respectively.

With respect to spending, however, Museums are the dominant category, spending over \$750 million in 2009, or about 21% of the sector's total spending in the region. They are followed by Performance organizations, which spent over \$636 million, and Media organizations, which spent over \$605 million, each accounting for about 17% of the region's total spending.

Figure 6

Percentage Distribution of New England’s Nonprofit Arts & Cultural Organizations and Spending by Discipline, 2009



Sources: Organizations and spending and are from IRS data provided by the National Center for Charitable Statistics (NCCS) and stored in CultureCount, an online database maintained by New England Foundation for the Arts (NEFA).

Only four disciplines—media, museums, schools, and humanities—have higher shares of total spending than of number of organizations. These four categories account for only 17% of all organizations but 56% of all spending. At the other end of the scale, historical, library, performance, and service organizations account for 64% of all organizations but only 35% of all spending.

Table 2 (page 14) lists the number of organizations and their spending by discipline for all New England states. It lists the six states horizontally and the twelve disciplines vertically. For each discipline, it lists both number of organizations and total spending. Spending figures reflect the actual economic activity the organizations undertook during the year and thus the basis for their economic impact on their surrounding communities and the region as a whole. **These expenditures will serve as the basis for calculating the total economic impact of these nonprofit enterprises.**

Table 2

Number & Spending of New England's Arts & Cultural Organizations by Discipline & State, 2009

	CT	ME	MA	NH	RI	VT	NEW ENGLAND
ETHNIC							
Number of organizations	175	33	476	35	70	14	803
Spending (\$ million)	\$18.0	\$2.1	\$34.6	\$0.6	\$4.2	\$0.2	\$59.7
FAIR							
Number of organizations	103	100	322	53	48	88	714
Spending (\$ million)	\$15.2	\$18.8	\$14.0	\$6.7	\$2.2	\$11.7	\$68.7
HISTORICAL							
Number of organizations	540	503	1,003	347	182	298	2,873
Spending (\$ million)	\$35.8	\$22.1	\$81.8	\$10.1	\$34.7	\$6.7	\$191.3
HUMANITIES							
Number of organizations	99	60	291	47	49	37	583
Spending (\$ million)	\$4.8	\$3.8	\$99.1	\$0.6	\$6.4	\$13.0	\$127.7
LIBRARY							
Number of organizations	355	444	848	336	132	261	2,376
Spending (\$ million)	\$81.4	\$50.9	\$144.1	\$12.9	\$33.2	\$9.9	\$332.4
MEDIA							
Number of organizations	164	94	486	68	46	81	939
Spending (\$ million)	\$59.1	\$23.1	\$470.3	\$10.9	\$17.3	\$24.7	\$605.4
MULTI-DISCIPLINE							
Number of organizations	207	121	453	76	52	89	998
Spending (\$ million)	\$29.6	\$8.2	\$70.4	\$10.6	\$3.7	\$5.3	\$127.8
MUSEUM							
Number of organizations	227	202	399	95	90	95	1,108
Spending (\$ million)	\$155.8	\$57.1	\$478.4	\$25.2	\$29.1	\$29.9	\$775.6
PERFORMANCE							
Number of organizations	904	418	2,182	314	269	340	4,427
Spending (\$ million)	\$141.8	\$28.3	\$353.1	\$37.6	\$50.1	\$30.3	\$641.0
SCHOOL							
Number of organizations	92	67	263	46	47	40	555
Spending (\$ million)	\$17.5	\$11.8	\$315.9	\$16.0	\$132.1	\$2.9	\$496.1
SERVICE							
Number of organizations	273	158	1,048	107	103	109	1,798
Spending (\$ million)	\$55.3	\$16.2	\$59.3	\$3.9	\$6.7	\$6.7	\$148.1
VISUAL							
Number of organizations	187	92	354	64	75	80	852
Spending (\$ million)	\$10.5	\$19.4	\$60.4	\$4.0	\$4.8	\$7.1	\$106.2

Sources: Number of organizations and spending are from IRS data provided by the National Center for Charitable Statistics (NCCS) and stored in CultureCount, an online database maintained by New England Foundation for the Arts (NEFA).

Building an Arts Block

The Garde Arts Center | New London, Connecticut



Patrons mingle with members of the Soweto Gospel Choir in the Garde Arts Center lobby, New London, Connecticut; photo © CM Glover 2010.

THE GARDE ARTS CENTER IN NEW LONDON, Connecticut, has stood the test of time. Since the community saved the historic 1,450-seat movie palace in 1985, the Garde Theater has become the centerpiece of an arts block of commercial and arts-related buildings all owned by the Garde Center. Together they serve as a regional community gathering place and have been a catalyst helping to revitalize downtown New London and southeastern Connecticut. Residents and visitors can experience the best in performing arts, film, and educational programs. In addition, local organizations use the Garde's studio and meeting space, thus bringing more people downtown and creating demand for local merchants.

During the 2007-09 recession, when other businesses were struggling to survive, the Garde decided to invest in diversifying its income streams. An intimate 120-seat music venue, the Oasis Room, was added in 2008 to provide more nights of programming and to

stimulate more Main Street activity. New art galleries and eateries opened in neighboring buildings and an existing flower shop started a jazz performance series in its space. These examples clearly indicate the commercial spin-off effects of a major arts investment. In 2009, the City decided to allocate more funding to the Garde so it could maintain an optimal level of programming to support critical education programs and the City's dining and shopping district. The New London community looks to the Garde Arts Center as an anchor that brings together businesses, other art venues (such as Hygienic Art), the education community, and the many partners

“Not only are specific jobs created when a show comes to town, but area businesses from restaurants to hotels to flower shops have volume business. In addition, our very existence helps major regional employers like Pfizer or General Dynamics recruit and retain the creative and innovative people they will need to grow their business.”

Steve Sigel, Executive Director, Garde Arts Center

and leaders from City government, as well as the tourism, science, and technology sectors. As the Garde creates new opportunities such as its new smaller theater and expanded uses of its performance, public function, and studio spaces, it shows other businesses that innovating and creating new revenue sources is critical to their business and their community.¹¹

¹¹ Interview with Steve Sigel, June 24, 2011.

While it is clear that the region's most populous states have larger shares of the region's nonprofit arts and cultural organizations in terms of numbers and total spending, standardizing the data by population shows a different picture. Table 3 lists the number of organizations by category for each state in terms of number of organizations per 100,000 people.

Table 3
New England's Nonprofit Arts & Cultural Organizations,
Number per 100,000 Population, 2009

CATEGORY	CT	ME	MA	NH	RI	VT	TOTAL
Ethnic	4.9	2.5	7.2	2.5	6.6	2.3	5.5
Fair	2.9	7.6	4.8	4.0	4.6	14.0	4.9
Historical	15.3	38.1	15.2	26.1	17.3	47.8	19.9
Humanities	2.8	4.6	4.4	3.6	4.5	6.0	4.0
Library	10	33.6	12.8	25.4	12.5	42.0	16.4
Media	4.6	7.0	7.2	5.1	4.5	12.4	6.4
Multi-Discipline	7.1	9.0	6.9	5.5	4.8	14.2	7.2
Museum	6.3	15.4	6.0	7.2	8.4	15.1	7.6
Performance	25.5	31.5	33	23.3	25.2	54.4	30.5
School	2.4	4.9	3.9	3.5	4.1	6.4	3.7
Service	7.8	12.1	15.7	7.9	9.5	29.0	12.9
Visual	5.3	7.1	5.3	4.6	7.2	13.0	5.9
Total	99.4	179.2	127.4	122.5	116.8	263.8	129.9

Source: IRS data provided by the National Center for Charitable Statistics (NCCS) and stored in CultureCount; population data from U.S. Bureau of the Census.

While Massachusetts and Connecticut clearly dominate the region in terms of pure number of organizations, when standardized by measuring how many organizations exist per 100,000 of total population, both Maine and Vermont exceed their more populous neighbors. This is most striking in terms of libraries, historical organizations, and museums.

These relative differentials are even more evident in comparing each state's arts and cultural nonprofit "organizational density" relative to the regional average.

Table 4
New England's Nonprofit Arts & Cultural Organizations,
Number per 100,000 Population, Relative to Regional Average, 2009

CATEGORY	CT	ME	MA	NH	RI	VT	NEW ENGLAND
Ethnic	0.90	0.50	1.30	0.50	1.20	0.40	1.00
Fair	0.60	1.50	1.00	0.80	0.90	2.90	1.00
Historical	0.80	1.90	0.80	1.30	0.90	2.40	1.00
Humanities	0.70	1.10	1.10	0.90	1.10	1.50	1.00
Library	0.60	2.00	0.80	1.50	0.80	2.60	1.00
Media	0.70	1.10	1.10	0.80	0.70	1.90	1.00
Multi-Discipline	1.00	1.30	1.00	0.80	0.70	2.00	1.00
Museum	0.80	2.00	0.80	0.90	1.10	2.00	1.00
Performance	0.80	1.00	1.10	0.80	0.80	1.80	1.00
School	0.70	1.30	1.00	0.90	1.10	1.70	1.00
Service	0.60	0.90	1.20	0.60	0.70	2.30	1.00
Visual	0.90	1.20	0.90	0.80	1.20	2.20	1.00
Total	0.80	1.40	1.00	0.90	0.90	2.00	1.00

Source: IRS data provided by the National Center for Charitable Statistics (NCCS) and stored in CultureCount; population data from U.S. Bureau of the Census.

Considering the last line of Table 4, for instance, Massachusetts equals the regional average of about 129 organizations per 100,000 people (its index equals 1.0), but Vermont has double the regional average (an index of 2.0), and Maine has 40% more than the regional average (an index of 1.4). Connecticut, New Hampshire, and Rhode Island all fall below the regional average. Vermont exceeds the regional average for all categories of activity except ethnic organizations, and Maine exceeds the regional average for all but ethnic and service organizations. Connecticut, on the other hand, exceeds the regional average only for multi-disciplinary organizations, and New Hampshire exceeds the regional average only for libraries.

The larger point made by these indices of organizational density is that nonprofit arts and cultural organizations play a particularly vital role in the social life of New England's smaller, more rural states and communities. While historic societies, libraries, and community theaters in the region's more rural states may not be as large in assets, employees, and spending as their colleagues in urban centers, they play a role in bringing people out of their homes into village centers and into social interaction with neighbors which provides a benefit that goes beyond mere commercial exchange.

From Art Gallery to Community Hub

AS220 | Providence, Rhode Island



Youth outside of AS220's Empire Street Complex in Providence, Rhode Island; photo by Linda King.

AS220 IS A NONPROFIT COMMUNITY ARTS space in downtown Providence founded in 1985 on a unique mission: to provide an unjuried and uncensored forum for the arts. This simple mission caused a stir, but with this idealism and \$800, founders Umberto Crenca, Susan Clausen, and Scott Seaboldt rented a loft at 220 Weybosset Street and hung their works on the walls. The arts community was skeptical. Back then, young creative people and their ideas were fleeing the city of Providence. AS220 believed the city's artists could turn that trend around, and now, more than 25 years later, AS220 is a community headquarters with a \$2.6 million budget and three mixed-use buildings (more than 100,000 square feet!) to its name. AS220's Empire Street Complex is an art gallery (three of them, actually); a restaurant-bar-venue for jazz, folk, hip hop, poetry slams, panel discussions, or just sitting; a community of artists in residence with nearly a dozen creatives renting live/work studios upstairs for just \$98 to \$446

a month (utilities included); and a youth program focused on at-risk teens offering free classes in music, dance, writing, and visual arts. And that's just the tip of the iceberg. AS220 has two more mixed-use buildings housing a publicly accessible print shop, digital darkroom, lighting studio, and high-tech personal fabrication lab, as well as a few locally grown commercial and nonprofit tenants. AS220 has also pioneered an arts immersion program at the Rhode Island Training School, the state's juvenile detention facility. By tapping into creative potential that is often overlooked, this exposure to the arts provides a powerful alternative. Upon departure from the Training School, AS220 Youth offers the opportunity to continue this initial arts experience. AS220's mission has expanded - the

"Each person is the creator of his own person. I try to increase the power options they have. AS220 is a gathering place where anarchists and people in suits come together. Politicians hang out here; people gather and the food creates community."

Umberto Crenca, Co-Founder, AS220

organization has evolved from a presenter to an incubator and educator, but still sticks to its original core elements of inclusion, variety, and community building.¹²

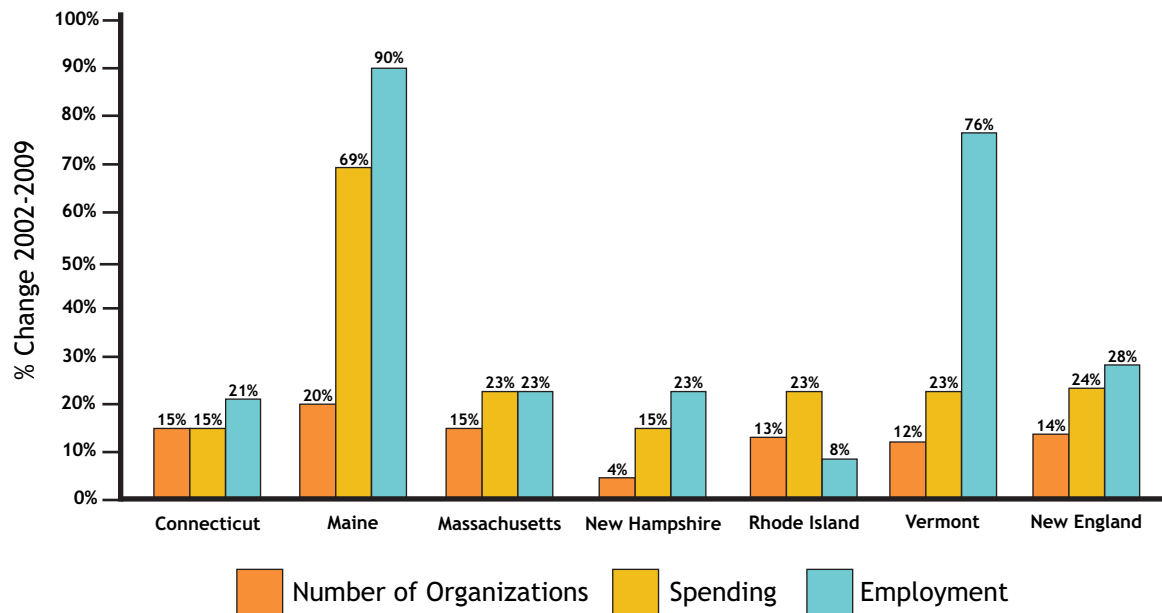
¹² Interview with Umberto Crenca, June 27, 2011.

How have they grown?

NEFA's last detailed report on the nonprofit arts and cultural sector was published in August 2006 and was based on organizational data up to 2002. The data gathered for this report show that these organizations have grown significantly over the intervening years. **For New England as a whole, the number of organizations has increased by 14%, their spending has increased by 24%, and their employment has increased by 28%.**¹³

Figure 7

Growth of New England's Nonprofit Arts & Cultural Organizations, 2002-09



Sources: Organizations and spending are from IRS data provided by the National Center for Charitable Statistics (NCCS) and stored in CultureCount, an online database maintained by New England Foundation for the Arts (NEFA). Employment data are derived from U.S. Bureau of Labor Statistics data and Bureau of Economic Analysis gross state product data. They are not reported directly for nonprofits, but are derived from the average employment per spending ratios of the North American Industrial Classification (NAICS) codes they report on their IRS forms or are assigned by NCCS. Data for 2002 are from NEFA's report: *New England's Creative Economy: The State of the Public Cultural Sector - 2005 Update*.

¹³ New England Foundation for the Arts *New England's Creative Economy: The State of the Public Cultural Sector - 2005 Update*. August 2006. This report was based on 2002 data; p. 10.

The most striking element of Figure 7 is the large increase in spending and employment in Maine and the large increase in employment in Vermont. Some of the increases are attributable to NEFA's increased coverage of nonprofit arts and cultural organizations as more are added to its CultureCount database. In addition, since many nonprofit organizations do not file IRS returns every year, the organizations for which data were gathered in 2002 are not entirely the same as those from which 2009 data were gathered. For example, some of the apparent discrepancy between the growth of spending and growth of employment in Vermont may simply reflect the fact that a relatively large employer in Vermont was included in 2009 records but not in 2002 records. In addition, programmatic and technological innovations are constantly changing the employment to spending ratios in nonprofit arts and cultural organizations just as they are in businesses all across the economy. It is not unusual that nonprofit arts and cultural organizations in some states experienced different patterns of employment and spending growth from those of other states. In fact, it would be very unusual if they all followed the same pattern of growth. In addition, the larger percent changes for Maine and Vermont simply reflect a smaller base from which percentage increases are calculated. It is also important to remember that New England totals are derived by adding up the total number of organizations and levels of spending and employment in 2002 and 2009 for all the states and then calculating the regional increase.

In sum, any comprehensive explanation of the differences evident in Figure 7 requires more detailed analysis of organization-by-organization data for 2002 and 2009. Nevertheless, **the fact that growth occurred in both number of organizations and level of spending and across all six states is testament to the vitality of this sector across New England as a whole.** That the number of New England nonprofit arts and cultural organizations grew by 193 (from 17,883 in 2007 to 18,026 in 2009) is particularly striking in light of the fact that the total number of employers across all sectors in New England declined by nearly 3,000 between 2007 and 2009. (See Figure 2 [Comparison of Change], Page 5).¹⁴

¹⁴ The data for 2002, 2007, and 2009 are listed in the appendix.

Growing on the High Wire

New England Center for Circus Arts | Brattleboro, Vermont



The New England Center for Circus Arts' Advanced Youth Troupe, Brattleboro, Vermont; photo by Janet Lowry.

WHEN TWINS SERENITY AND ELSIE WERE 16, THEY saw their first circus; when they mastered the trapeze at age 27, they joined Cirque de Soleil; and when they traveled the world, other people who wanted to learn to fly on a trapeze sought their expert advice so they too could become the best at aerial circus performance. Then Serenity became Serenity Smith Forchion and decided to start her family in Brattleboro, Vermont. As Serenity's family grew, so did the twin's teaching practice, and in 2006 they created the New England Center for Circus Arts. Serenity and Elsie recruited a Board of Directors, hired seven teachers, and launched a new enterprise that grew to become an economic engine for downtown Brattleboro. Now, in 2011, the New England Center for Circus Arts has created jobs for 20 people

and teaches over 700 students annually the experience of flying through the air. The 2009 graduates from the professional training program have had a 100% placement rate in their profession, and hotels and restaurants in the area report more business when circus performer students come to town for classes and

"We recently did a survey to learn where our students had gone to work after graduating from our programs. Our graduates had a 100% success rate in finding employment in the job they wanted. Circus flying teaches you to have poise, grace, and confidence and it makes you feel happy...all the ingredients for success."

Serenity Smith Forchion, Co-Founder and Executive Director, New England Center for Circus Arts

workshops. Serenity and Elsie are the perfect example of artistic human capital. During their years with Cirque de Soleil, they acquired a wealth of experience and skill. In 2006, they invested that wealth in Brattleboro and used it to build a business, which created new jobs. By making all of New England attractive to similarly "wealthy" artists, the region's nonprofit arts and cultural organizations serve as an economic recruiter attracting other potential economic engines to their area.¹⁵

¹⁵ Interview with Serenity Smith Forchion, June 23, 2011.

What is economic impact?

Over the years, NEFA has had a strong interest in identifying, supporting, and promoting the importance of New England's nonprofit arts and cultural organizations beyond their purely artistic activities. This interest has led to groundbreaking research on the financial magnitude of these organizations based on the collection and analysis of financial data filed by these organizations with the IRS and provided to NEFA by the National Center for Charitable Statistics (NCCS). This effort has led to:

- » earlier reports published by NEFA¹⁶ ;
- » development of the New England-wide database of information about nonprofit organizations called CultureCount¹⁷; and
- » development of a community economic impact calculator for the Massachusetts Cultural Council.¹⁸

This report builds on these previous efforts and expands the impact analysis methodology used in the Massachusetts community impact calculator to the full total of 18,032 New England organizations for which IRS financial data were obtained or estimated. In this respect, the current report differs from the NEFA report published in 2006. That report calculated economic impact based on “that portion of the industry’s initial spending that would not otherwise have occurred in the region.”¹⁹ The 2006 report estimated an answer to the question, “What is the economic impact of new money brought into New England by nonprofit arts and cultural organizations, money that would not otherwise be here?” This report does not make that restriction. This report estimates an answer to the question, **“What is the economic impact of all money spent by New England nonprofit arts and cultural organizations regardless of origin?”** This report does not claim to identify and measure the impact of new money brought to the region by nonprofit arts and cultural organizations. It, rather, estimates the economic impact of all money spent by nonprofit arts and cultural organizations. It does this as a way of illustrating the full effect of these organizations on the broader economy while recognizing that much of the money supporting this spending comes from within the region.

Economic impact is best understood by recalling the old Watergate investigation nostrum—follow the money. Every dollar spent by a New England nonprofit arts and cultural organization becomes income to someone else, either a vendor or an employee. And each of these vendors and employees, in subsequent rounds of commercial activity, spends that income. Some of the original nonprofit arts and cultural spending works its way to other vendors and employees and thus out into the broader economy. Economic impact analysis is, at base, following this money through an economy’s vendor supply chains and consumer spending chains and adding up the resulting totals.

The spending of New England’s nonprofit arts and cultural organizations becomes income to printers, builders, maintenance and repair vendors, fuel suppliers, banks, insurance agents, advertising agencies, electricity, heating oil, and telephone companies, as well as state and local governments. These enterprises, in turn, spend some of their sales revenues to buy needed supplies and services from other New England businesses.

¹⁶ New England Foundation for the Arts New England’s Creative Economy: The State of the Public Cultural Sector—2005 Update. August 2006.

¹⁷ www.culturecount.org/

¹⁸ www.culturecount.org/public/coc.aspx

¹⁹ New England Foundation for the Arts New England’s Creative Economy: The State of the Public Cultural Sector—2005 Update. August 2006, p. 11.

The ripple effect of these sales continues in additional rounds of ever more widespread spending and employment that reaches across an individual state and, eventually, the entire region.

At the same time, the employees of the region's nonprofit arts and cultural organizations and the employees of all their vendors spend their wages on groceries, rent, home mortgages, travel, entertainment, and the other consumer goods and services they buy. This spending becomes sales revenue to hundreds of other New England businesses. These consumer-oriented businesses pay their vendors and employees, thus spreading the ripples of the nonprofit arts and cultural organizations' economic impact still further across the region.

The downstream supply chain sales linkages from the operational and investment spending of New England's nonprofit arts and cultural organizations to New England businesses constitute their **indirect impact** on the region's economy and must be added to the organizations' direct impact to understand their total economic impact. The consumer spending linkages flowing from the organizations' operational and investment spending constitute their **induced impact** on the region's economy. This too must be added to the direct impact to understand the full impact on the region's economy.²⁰

Economic multipliers refer to the difference between direct impact and total impact. If, for instance, an organization spends \$1 million within a region, and the indirect and induced sales received by other businesses within the region flowing from that \$1 million of direct impact amount to \$500,000, the total economic impact on the region is \$1.5 million and the multiplier is 1.5, the ratio of total impact to direct impact. The greater the commercial interconnections of an industry within a region (think cars in Michigan) the greater the industry's multiplier.

Attempting to measure all these indirect and induced effects individually would be virtually impossible. Businesses track sales for accounting and management purposes, not for the sake of tracing the flows of their sales to other industrial sectors throughout the economy. Nor are there officially available statistics such as Department of Labor employment data that measure such inter-industry relationships at the local level. Short of exhaustive direct business surveys, there is no direct way to obtain an accurate measurement of these economic multiplier effects.

The only way to measure an industry's total impact is to use an input-output model explicitly designed to capture those interconnections. For this report, Planning Decisions, Inc. used the IMPLAN model of each New England state and a combined model for the region as a whole.²¹

In sum, economic impact can be imagined as a pebble being tossed into a pond. The direct impact is the size of the pebble. The indirect and induced impacts are the ripples that flow out from that pebble. And the total impact of the pebble depends on how big it is and how wide an area of the pond one chooses to measure the ripples. The first task in determining the economic impact of New England's nonprofit arts and cultural organizations, therefore, is to identify them and add up their total spending.

²⁰ The same concept applies to the indirect and induced impacts within an individual state. However, these impacts will be smaller in an individual state than in the region as a whole because the range of commercial connections will be smaller due to the more limited geographical impact boundary.

²¹ IMPLAN (IMPact Analysis for PLANning) is a proprietary computer based input-output modeling program. It contains a mathematical representation of the purchasing patterns that take place between sectors of an economy, both nation-wide and within individual states. IMPLAN files contain all of the industry sales, employment and income data for as many as 528 sectors of a state's economy. IMPLAN uses these data along with national purchasing patterns (national input-output matrices) to create regional models from which local multiplier effects can be determined. Further information is available at implan.com/V4/Index.php.

Renovation Ripple Effects

The Hanover Theatre | Worcester, Massachusetts



The beautifully restored Hanover Theatre, Worcester, Massachusetts; photo by Dan Dionne.

FROM 2004 TO 2007, THE HANOVER THEATRE in downtown Worcester embarked upon a \$31 million dollar building renovation, employing workers from the construction, architectural, design, and manufacturing sectors. These workers represent the indirect impact of the theatre's investment spending. Now that The Hanover has been restored and reopened, each performance creates jobs for performers, stagehands, stage managers, designers, musicians, and directors, in addition of course, to the theatre's 15 full-time and 250 part-time staff. These workers represent the direct impact of the theatre's operational spending.

The Hanover Theatre spends the majority of its \$6.5 million annual operating budget locally and partners with 18 restaurants and

numerous hotels who all appreciate not only the influx of people who work and visit during each show, but also the regular educational programs, functions, and community events that bring local citizens downtown. 600,000 patrons have been drawn downtown in the

“The life and death and rebirth of The Hanover Theatre is very symbolic of what’s happened to our city. The story of The Hanover is the story of Worcester. The theatre has become not only a great cultural magnet drawing people from all over central Massachusetts, but also a catalyst for a whole lot of conversations about what’s possible in the city and its downtown.”

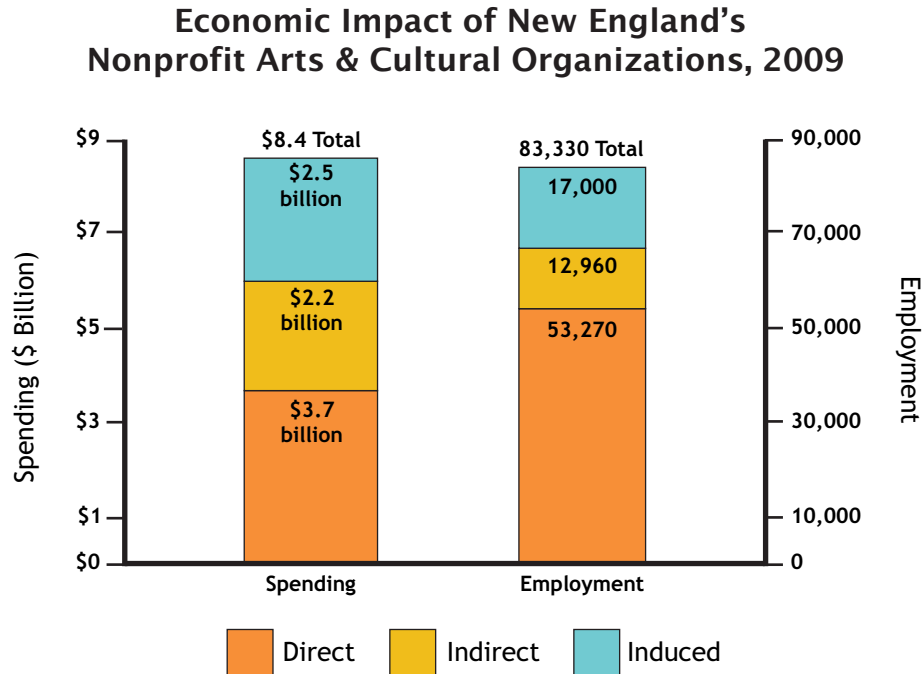
Joseph C. O'Brien, Mayor of Worcester

past three years, and a Broadway show's cast alone can fill up to 40 hotel rooms for 3 nights. All of this provides significant revenue for local hotel owners, restaurants, and retail shops - the induced impact of the theatre's operation. Community members clearly see the value of these impacts as well - more than 230 volunteers give their time to The Hanover Theatre, for a total of more than 20,000 hours annually.²²

²² Interview with Troy Siebels, June 24, 2011.

What is the total economic impact of New England’s nonprofit arts & cultural organizations?

Figure 8



Sources: Organizations and spending are from IRS data provided by the National Center for Charitable Statistics (NCCS) and stored in CultureCount, an online database maintained by New England Foundation for the Arts (NEFA). Employment data are derived from U.S. Bureau of Labor Statistics data and Bureau of Economic Analysis gross state product data. They are not reported directly for nonprofits, but are derived from the average employment per spending ratios of the North American Industrial Classification (NAICS) codes they report on their IRS forms or are assigned by NCCS. Indirect and induced data are generated by a regional impact model operated by PDI.

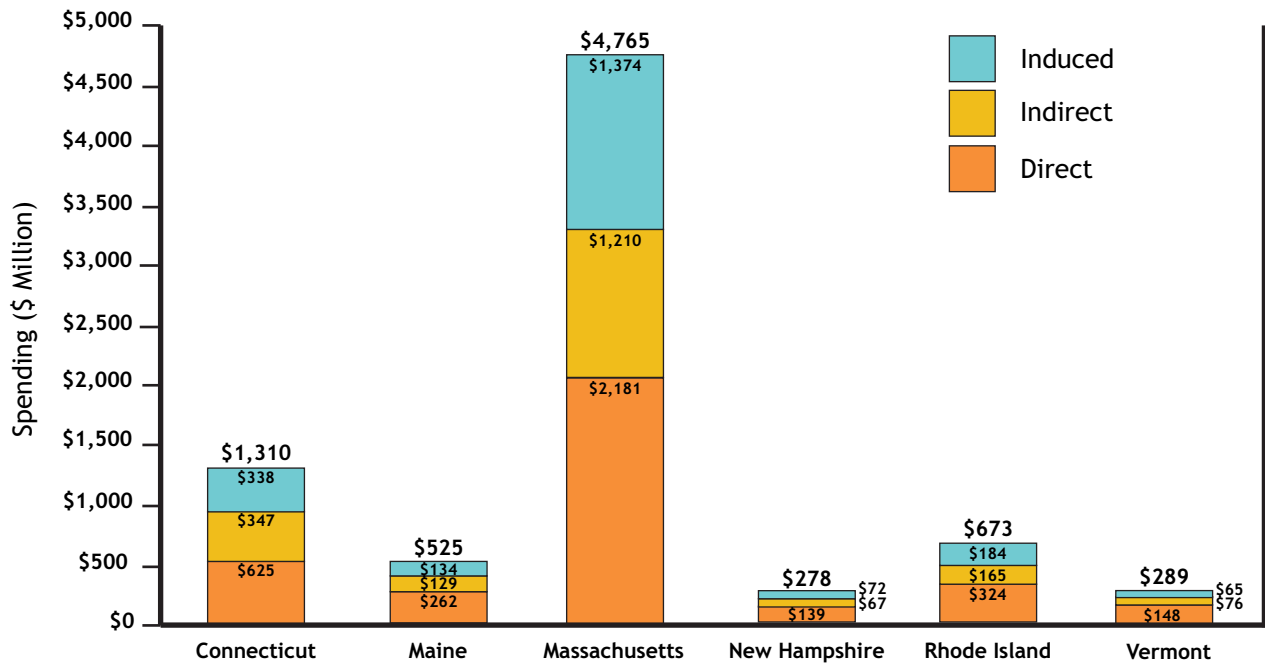
Figure 8 illustrates the economic impact on New England’s economy of the region’s nonprofit arts and cultural organizations. The \$3.7 billion spent by New England’s nonprofit arts and cultural organizations in 2009 became over \$2.2 billion in sales to regional vendors meeting their needs down the various supply chains they use. In addition, some of that money became sales revenue to consumer-oriented businesses selling to those employed both by the nonprofit arts and cultural organizations and by their direct and indirect vendors. In sum, the total economic impact of these organizations in 2009 was nearly \$8.5 billion, supporting over 83,339 jobs across the region. **In aggregate, every \$1.00 spent by a New England nonprofit arts and cultural organization became \$2.30 in sales for businesses across the region, and every job provided by a New England nonprofit arts and cultural organization became 1.6 jobs for workers across the region.** It is important to note here that New England’s nonprofit arts and cultural organizations did not “create” these sales or jobs. Rather, some portion of the money they spent ultimately worked its way across the economy to become small portions of the revenue of hundreds of other businesses “supporting” thousands of other jobs. If the nonprofit arts and cultural organizations disappeared, so would this revenue and this support for the related jobs.

The multiplier effects linking direct impact to total impact hold true within each state, though to a lesser degree because each state (being smaller than the region as a whole) sees the ripples of its spending cross a state boundary sooner than is true for the region as a whole. From the perspective of the entire region, a Massachusetts printer supplying tickets for a theater in New Hampshire is an indirect impact. For New Hampshire, it is a commercial ripple that arises beyond the boundary of the New Hampshire pond and thus has no indirect impact within the state.

Figures 9 and 10 summarize the total economic impacts of New England’s nonprofit arts and cultural organizations as they are derived from the IMPLAN model **for each state** in the region.

Figure 9

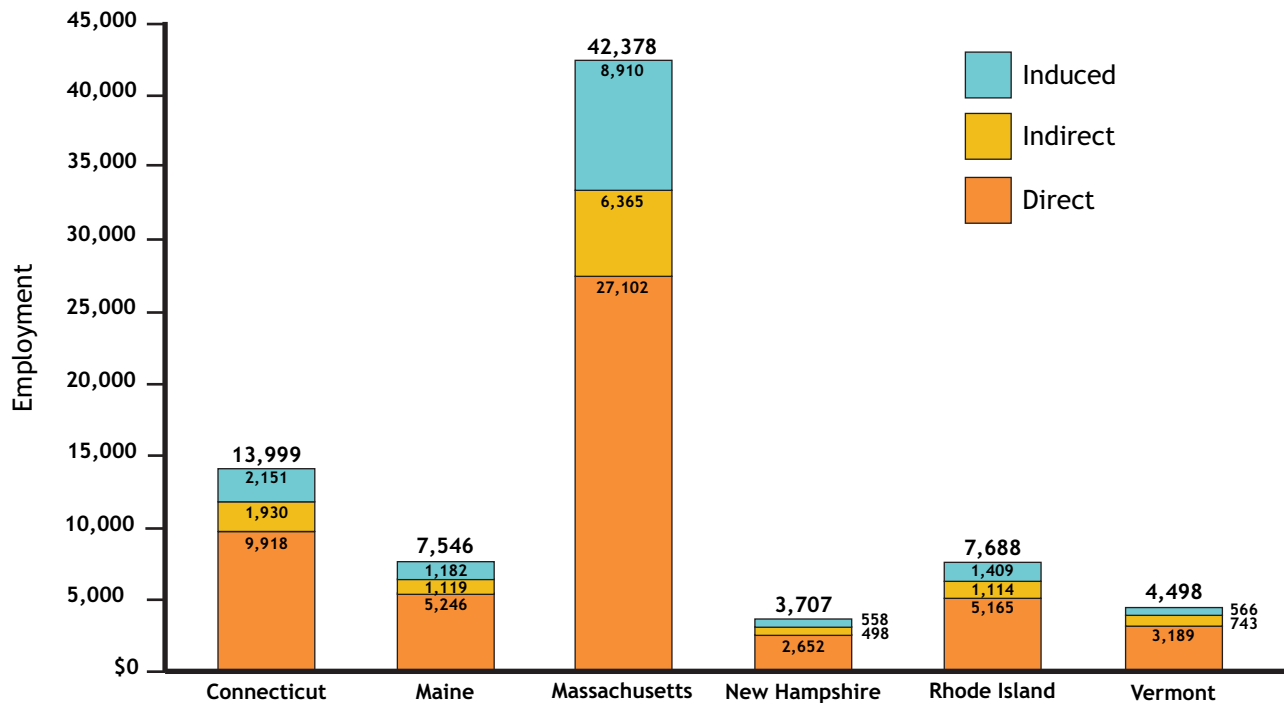
Economic Impact of New England’s Nonprofit Arts & Cultural Spending by State, 2009



Sources: Direct spending data are from IRS data provided by the National Center for Charitable Statistics (NCCS) and stored in CultureCount, an online database maintained by New England Foundation for the Arts (NEFA). Indirect and induced data are generated by state and regional impact models operated by PDI.

Figure 10

Employment Impact of New England's Nonprofit Arts & Cultural Organizations by State, 2009



Sources: Employment data are derived from U.S. Bureau of Labor Statistics data and Bureau of Economic Analysis gross state product data. They are not reported directly for nonprofits, but are derived from the average employment per spending ratios of the North American Industrial Classification (NAICS) codes they report on their IRS forms or are assigned by NCCS. Indirect and induced data are generated by state and regional impact models operated by PDI.

The New England total impacts are greater than the sum of the individual state impacts because cross border commercial linkages, true for the region as a whole, do not apply as impacts within individual states. It should be noted here that the impact methodology utilized in this report is different from that employed in NEFA's 2006 report *New England's Creative Economy: The State of the Public Cultural Sector - 2005 Update*. That report calculated total impact only on the basis of "out-of-state" income sources on the grounds that this figure represented only "new" spending coming to New England as a result of nonprofit arts and cultural organizations. This new report derives total impact from all spending by the region's nonprofit arts and cultural organizations on the grounds that this gives a better picture of the entire range of sales and employment flowing from nonprofit arts and cultural spending and employment. This report does not claim that the total impact reported here is new to New England, just that it is the regional impact that derives from the operation of the organizations reported here.

Combining Quality and Commerce

The League of New Hampshire Craftsmen



Ceramics instruction by Gerry Williams, juried member of the League of New Hampshire Craftsmen, Hanover, New Hampshire; photo: CraftStudies - Hanover, League of New Hampshire Craftsmen.

FOUNDED IN 1932, THE LEAGUE OF NEW Hampshire Craftsmen is one of the oldest and most prestigious craft organizations in the country. Through the work of the League, more than 350 juried craftsmen show their work at eight affiliated galleries throughout the state. Collectively, the galleries' sales were over \$1.7 million this year, providing income to craftspeople, retail gallery owners, shipping companies, and print and media outlets that count on their advertising. In 2010, the Annual Craftsman's Fair in Newbury, NH brought 30,000 ticket holders to the nine-day event and filled the hotels, coffee shops, gas stations, and restaurants

in the area. More than 350 craftspeople participated and reported over \$2 million in sales. The League also runs classes and programs for other artisans and the general public and pays these master craftspeople to teach their important skills.

The League illustrates the important economic impact achieved by a cooperative organization. Much as dairy co-ops multiply the buying and marketing power of an association of farmers, so the League multiplies the power of first-rate

"The reputation that the League has built through their jurying process has maintained the highest level of quality. Through their teaching programs the artisans share hundreds of years of experience in our fields; the things we make leave a legacy to future generations."

David Lamb, a New Hampshire master furnituremaker

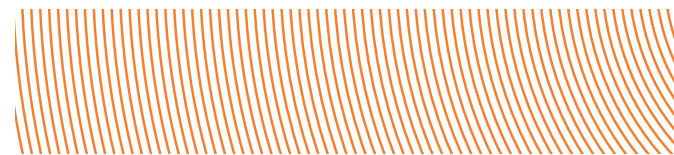
New Hampshire craftsmen. As a juried organization, the League can maintain an assured level of quality, thus protecting its brand. At the same time, by advertising that brand and providing a venue for bringing products to market, the League helps its members achieve sales far above what they could reach on their own.²³

²³ Interview with Susie Lowe-Stockwell, June 27, 2011.

In conclusion, it is clear that New England's nonprofit arts and cultural organizations are an essential component of the lives and communities of all the region's citizens. From the world famous museums in Boston to the smallest historic society in Downeast Maine, from performance centers in Vermont to design schools in Rhode Island, and libraries all across the region, these vital, community-based organizations play a special role in building and maintaining New England's quality of life.

In addition, these institutions contributed to the region's economy in 2009 by:

- » spending nearly \$3.7 billion and supporting over 53,000 full and part-time jobs;
- » increasing their number by 1.1% since 2007 and their spending by 11.5% even while their assets declined by 6.9%, thus maintaining a sector less subject to the cyclical ups and downs of the overall economy than the average New England business;
- » generating a total economic impact on the broader New England economy of over \$8 billion in revenue for regional businesses and over 83,000 jobs for regional workers; and
- » linking the arts to the economy and community development - demonstrated by the organization spotlights throughout this report.



TELLING THE NONPROFIT ECONOMIC IMPACT STORY

New England's nonprofit arts and culture organizations deliver high quality, mission-related work to their constituents. However, the broader community often does not have a clear understanding of the economic impact of nonprofits. Indeed, the word nonprofit itself is generally misunderstood to mean that the entity has no revenue or paid employees. This report clearly demonstrates that nonprofits have economic impact.

In addition, the broader community is impacted by arts and cultural nonprofits in ways that are hard to quantify on the multi-state, regional level. These impacts are not all directly economic or commercial. They are more complex, more subtle, and more far-reaching. This report offers an example of one way to "tell the story" of economic and community impact more personally, and thus more completely. The example includes a few different message formats: a radio script or public service announcement and a Facebook message and Twitter tweet. Each format provides a different way to communicate the nonprofit organization's work and its impact. The radio script demonstrates a way to make an economic message personal and specific to the organization by including business partners and sponsors familiar to the community. Facebook and Twitter are generally better for more direct calls to action or regular updates about the organization's relationships and community engagement. These messages themselves might be opportunities for more impact - the people named in the radio script might be willing to buy media time cooperatively, strengthening partnerships and reducing costs for all entities involved.

Example: Garde Arts Center | New London, Connecticut

Radio Script: (Gospel Music Up)

Narrator Voice: People's United Bank knows the importance of sponsoring a show like Ladysmith Black Mambazo; not only because Senior Community Relations Specialist, Dianne Kent laughed and cried all in one night;

Dianne Kent's Voice continues: but also, because Copperwood Grill sales go up 25% on the nights that the Garde presents a show...and not only is their new seafood raw bar delicious, but their service is tuned in to the show times, so they always get me out on time, before the curtain rises!

Bill Cornish Restaurant Owner Voice: and I am a People's United Bank customer with both personal and business accounts, so I know the great financial services Dianne and her staff provide to Copperwood Grill's operations on a daily basis; it is so convenient to make deposits and make change because they're open seven days a week. Plus they do my payroll!

Narrator Voice: It all goes back to the Garde Arts Center, a gathering place for the New London community where we laugh, cry, and do business together. So next time you wonder whether you can afford those tickets for the symphony, a Broadway musical, or an evening of great jazz, add it up and know that you are investing in your community... and about to enjoy a great show!

Facebook Message:

The Garde Arts Center stimulates new energy throughout New London, where bankers, small business owners, and hi-tech industry recruiters know the importance of the economic impact the Garde consistently brings.

Tweet Message:

The Garde is proud to play a lead role in helping the City of New London launch "Lovin New London"...check out the website lovinnewlondon.com and visit New London this summer.²⁴

²⁴ Interview, June 28, 2011.

Table A1: New England's Nonprofit Arts & Cultural Organizations, 2002 and 2009

AREA	NUMBER OF ORGANIZATIONS		SPENDING		EMPLOYMENT	
	2009	2002	2009	2002	2009	2002
New England	18,026	15,769	\$3,680,008,106	\$2,977,603,000	53,273	41,751
Connecticut	3,326	2,903	\$624,894,139	\$542,863,000	9,918	8,191
Maine	2,292	1,907	\$261,795,444	\$155,341,000	5,246	2,768
Massachusetts	8,125	7,042	\$2,181,347,436	\$1,774,984,000	27,102	22,030
New Hampshire	1,588	1,526	\$139,104,582	\$120,580,000	2,652	2,154
Rhode Island	1,163	1,026	\$324,476,390	\$263,071,000	5,165	4,801
Vermont	1,532	1,365	\$148,390,115	\$120,764,000	3,189	1,807

Sources: Organizations and spending are from IRS data provided by the National Center for Charitable Statistics (NCCS) and stored in CultureCount, an online database maintained by New England Foundation for the Arts (NEFA). Employment data are derived from U.S. Bureau of Labor Statistics data and Bureau of Economic Analysis gross state product data. They are not reported directly for nonprofits, but are derived from the average employment per spending ratios of the North American Industrial Classification (NAICS) codes they report on their IRS forms or are assigned by NCCS. Data for 2002 are from NEFA's report: *New England's Creative Economy: The State of the Public Cultural Sector - 2005 Update*.

These are the data behind Figure 1 (page 4) and Figure 7 (page 19).

Table A2: Measures of the New England Economy and its Nonprofit Arts & Cultural Organizations, 2007-09

NEW ENGLAND ECONOMIC INDICES	CT	ME	MA	NH	RI	VT	NEW ENGLAND
2009							
Population	3,518,288	1,318,301	6,593,587	1,324,575	1,053,209	621,760	14,429,720
Personal Income	\$194,546,888	\$48,480,000	\$327,394,527	\$56,487,740	\$43,594,132	\$24,375,933	\$694,879,220
Total Employment	2,186,308	803,572	4,102,663	824,788	615,605	418,852	8,951,788
Covered Employment	1,620,111	579,156	3,143,063	606,131	448,719	296,561	6,693,741
Employers, Total	111,510	48,976	214,004	48,500	35,252	24,372	482,614
A & C Organizations	3,326	2,292	8,125	1,588	1,163	1,532	18,026
A & C Spending	\$624,894,139	\$261,795,444	\$2,181,347,436	\$139,104,582	\$324,476,390	\$148,390,115	\$3,680,008,106
A & C Assets	\$1,698,895,659	\$711,728,702	\$6,276,301,996	\$387,951,721	\$758,744,558	\$383,619,264	\$10,217,241,900
2007							
Population	3,488,633	1,317,308	6,499,275	1,317,343	1,055,009	620,460	14,298,028
Personal Income	\$197,029,064	\$46,353,508	\$332,542,599	\$56,418,112	\$42,661,474	\$23,508,349	\$698,513,106
Total Employment	2,243,205	830,043	4,194,623	848,118	585,628	429,113	9,130,730
Covered Employment	1,717,428	608,247	3,276,591	639,148	480,442	309,807	7,031,663
Employers, Total	112,744	50,650	211,850	49,338	36,136	24,793	485,511
A & C Organizations	3,302	2,267	8,018	1,570	1,153	1,523	17,833
A & C Spending	\$592,177,707	\$204,330,973	\$1,956,841,772	\$124,657,122	\$291,235,809	\$140,634,199	\$3,309,877,582
A & C Assets	\$1,752,004,570	\$741,693,815	\$6,763,942,796	\$452,034,352	\$912,781,187	\$375,720,595	\$10,998,177,315

Sources: The number of arts and cultural organizations and their spending assets are taken from IRS data provided by the National Center for Charitable Statistics (NCCS) and stored in CultureCount. New England population and personal income data are from the U.S. Bureau of Economic Analysis and employer data are from the Bureau of Labor Statistics.

These are the data behind Figure 2 (page 5).

Table A3: Measures of the New England Economy and of Nonprofit Arts & Cultural Organizations, 2009 (in millions)

AREA	DIRECT SPENDING	INDIRECT SPENDING	INDUCED SPENDING	TOTAL SPENDING IMPACT	IMPACT MULTIPLIER
New England	\$3,680	\$2,233	\$2,530	\$8,443	2.3
Connecticut	\$625	\$347	\$338	\$1,310	2.1
Maine	\$262	\$129	\$134	\$525	2.0
Massachusetts	\$2,182	\$1,210	\$1,374	\$4,766	2.2
New Hampshire	\$139	\$67	\$72	\$278	2.0
Rhode Island	\$324	\$165	\$184	\$673	2.1
Vermont	\$148	\$76	\$65	\$289	2.0

AREA	DIRECT EMPLOYMENT	INDIRECT EMPLOYMENT	INDUCED EMPLOYMENT	TOTAL EMPLOYMENT IMPACT	IMPACT MULTIPLIER
New England	53,273	12,959	17,107	83,339	1.6
Connecticut	9,918	1,930	2,151	13,999	1.4
Maine	5,246	1,119	1,182	7,547	1.4
Massachusetts	27,102	6,365	8,910	42,377	1.6
New Hampshire	2,652	498	558	3,708	1.4
Rhode Island	5,165	1,114	1,409	7,688	1.5
Vermont	3,189	743	566	4,498	1.4

Sources: Organizations and spending and are from IRS data provided by the National Center for Charitable Statistics (NCCS) and stored in CultureCount, an online database maintained by New England Foundation for the Arts (NEFA). Employment data are derived from U.S. Bureau of Labor Statistics data and Bureau of Economic Analysis gross state product data. They are not reported directly for nonprofits, but are derived from the average employment per spending ratios of the North American Industrial Classification (NAICS) codes they report on their IRS forms or are assigned by NCCS. Indirect and induced data are generated by a regional impact model operated by PDI.

These are the data behind: Figure 3 (page 6), Figure 8 (page 25), Figure 9 (page 26), and Figure 10 (page 27).

Table A4: New England's Nonprofit Arts & Cultural Organizations by IRS Filing Category and State, 2009

FILING CATEGORY	CT	ME	MA	NH	RI	VT	NEW ENGLAND
Registered Filers	1,098	610	2,515	443	400	403	5,469
Registered Non-filers	1,496	802	2,782	588	444	586	6,698
Embedded	403	461	1,472	349	190	262	3,137
Unincorporated	329	419	1,356	208	129	281	2,722
Total	3,326	2,292	8,125	1,588	1,163	1,532	18,026

Source: CultureCount database maintained by New England Foundation for the Arts (NEFA) supplemented by IRS data provided by The National Center for Charitable Statistics (NCCS).

These are the data behind Figure 5 (page 12).

Table A5: Number and Spending of New England’s Nonprofit Arts & Cultural Organizations by Discipline, 2009

DISCIPLINE	NUMBER OF ORGANIZATIONS	SPENDING (\$ MILLION)
Ethnic	803	\$59.7
Fair	714	\$68.7
Historical	2,873	\$191.3
Humanities	583	\$127.7
Library	2,376	\$332.4
Media	939	\$605.4
Multi-Discipline	998	\$127.8
Museum	1,108	\$775.6
Performance	4,427	\$641.0
School	555	\$496.1
Service	1,798	\$148.1
Visual	852	\$106.2
Total	18,026	\$3,680.0

Sources: Organizations and spending are from IRS data provided by the National Center for Charitable Statistics (NCCS) and stored in CultureCount, an online database maintained by New England Foundation for the Arts (NEFA).

These are the data behind Figure 5 (page 12).

Table A6: Distribution of Number of Organizations and Spending by Discipline of New England's Nonprofit Arts & Cultural Organizations, 2009

CATEGORY OF ACTIVITY	CT	ME	MA	NH	RI	VT	TOTAL
ETHNIC							
Organizations	5%	1%	6%	2%	6%	1%	4%
Expenses	3%	1%	2%	0%	1%	0%	2%
FAIR							
Organizations	3%	4%	4%	3%	4%	6%	4%
Expenses	2%	9%	1%	5%	1%	8%	2%
HISTORICAL							
Organizations	16%	22%	12%	22%	16%	19%	16%
Expenses	6%	10%	4%	7%	11%	5%	5%
HUMANITIES							
Organizations	3%	3%	4%	3%	4%	2%	3%
Expenses	1%	2%	5%	0%	2%	9%	4%
LIBRARY							
Organizations	11%	19%	10%	21%	11%	17%	13%
Expenses	13%	13%	5%	9%	10%	7%	8%
MEDIA							
Organizations	5%	4%	6%	4%	4%	5%	5%
Expenses	9%	11%	22%	8%	5%	17%	17%
MULTI-DISCIPLINE							
Organizations	6%	5%	6%	5%	4%	6%	6%
Expenses	5%	4%	3%	8%	1%	4%	4%
MUSEUM							
Organizations	7%	9%	5%	6%	8%	6%	6%
Expenses	25%	18%	22%	18%	9%	20%	21%
PERFORMANCE							
Organizations	27%	18%	27%	20%	23%	22%	25%
Expenses	23%	11%	16%	27%	15%	20%	18%
SCHOOL							
Organizations	3%	3%	3%	3%	4%	3%	3%
Expenses	3%	5%	15%	11%	41%	2%	14%
SERVICE							
Organizations	8%	7%	13%	7%	9%	7%	10%
Expenses	9%	7%	3%	3%	2%	5%	4%
VISUAL							
Organizations	6%	4%	4%	4%	6%	5%	5%
Expenses	2%	9%	3%	3%	1%	5%	3%

Sources: Organizations and spending are from IRS data provided by the National Center for Charitable Statistics (NCCS) and stored in CultureCount, an online database maintained by New England Foundation for the Arts (NEFA).

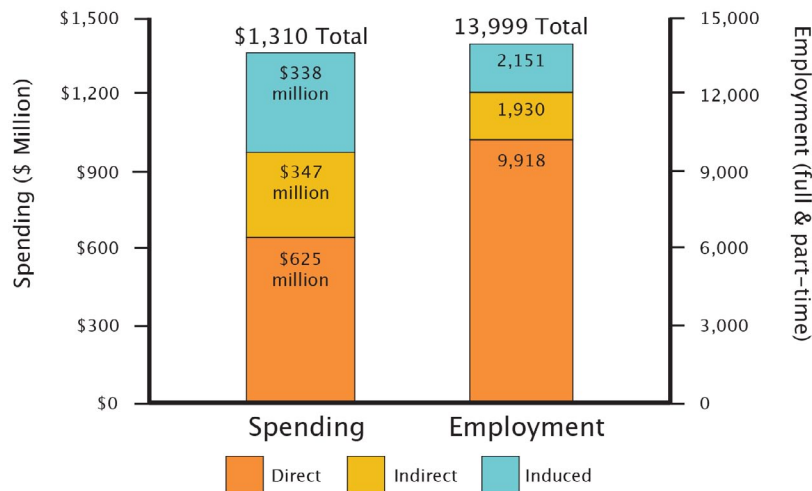
These are the data behind Figure 6 (page 13).

APPENDIX B: STATE DATA HIGHLIGHTS

Connecticut Highlights

Connecticut nonprofit arts and cultural enterprises constitute a major industry for the state. In 2009, the spending of their 3,326 arts and cultural organizations amounted to nearly \$625 million, and they provided jobs for nearly 10,000 people. By comparison, this spending would rank 34th among 46 major sectors for which the U.S. Bureau of Economic Analysis reports gross product totals for the state, just behind the transit and ground passenger transportation sector (\$646 million) and just ahead of the truck transportation sector (\$611 million). In terms of employment, the 9,918 jobs provided by the state's arts and cultural organizations would rank it 41st among 65 major sectors for which the U.S. Bureau of Labor Statistics reports employment totals for the state, just behind electrical equipment manufacturing (9,949 full and part-time jobs) and just ahead of publishing (9,570 full and part-time jobs).

The Economic Impact of Connecticut's Nonprofit Arts & Cultural Organizations, 2009



Source: Spending data are from IRS data provided by the National Center for Charitable Statistics (NCCS) and stored in CultureCount, an online database maintained by New England Foundation for the Arts (NEFA). Employment data are derived from the U.S. Bureau of Labor Statistics data and Bureau of Economic Analysis gross state product data. They are not reported directly for nonprofits, but are derived from the average employment per spending ratios of the North American Industrial Classification (NAICS) codes each organization reports on its IRS forms or is assigned by NCCS

The \$625 million spent by Connecticut's nonprofit arts and cultural organizations in 2009 became \$347 million in sales to Connecticut vendors meeting their needs down the various supply chains they use—everything from contractors and tradespeople to office supplies, advertising firms, and power companies. These sales constitute their indirect impacts. In addition, \$338 million became sales revenue to Connecticut consumer-oriented businesses selling to those employed both by the nonprofit arts and cultural organizations and by their direct and indirect vendors. In sum, the total economic impact in 2009 of Connecticut's 3,326 nonprofit arts and cultural organizations was over \$1.3 billion, supporting nearly 14,000 jobs in Connecticut businesses. **In aggregate, every \$1.00 spent by a Connecticut nonprofit arts and cultural organization became \$2.10 in sales for businesses in Connecticut, and every job provided by a Connecticut nonprofit arts and cultural organization became 1.4 jobs for workers across the state.** Multipliers are based on the ratio of total economic impact to direct economic impact.

Economic Impact of Nonprofit Arts & Cultural Organizations, Connecticut and New England, 2009

CONNECTICUT	DIRECT	INDIRECT	INDUCED	TOTAL	MULTIPLIERS
Number of Organizations	3,326				
Spending (\$ million)	\$625	\$347	\$338	\$1,310	2.1
Employment	9,918	1,930	2,151	13,999	1.4

NEW ENGLAND	DIRECT	INDIRECT	INDUCED	TOTAL	MULTIPLIERS
Number of Organizations	18,026				
Spending (\$ million)	\$3,680	\$2,233	\$2,530	\$8,442	2.3
Employment	53,273	12,959	17,107	83,339	1.6

Source: Number of Organizations and direct spending figures come from IRS data provided by the National Center for Charitable Statistics (NCCS) and stored in CultureCount; indirect, induced, and total spending figures from IMPLAN model operated by Planning Decisions Inc. Employment data are derived from the U.S. Bureau of Labor Statistics data and Bureau of Economic Analysis gross state product data. They are not reported directly for nonprofits, but are derived from the average employment per spending ratios of the North American Industrial Classification (NAICS) codes each organization reports on its IRS forms or is assigned by NCCS.

The impact of nonprofit arts and cultural organizations is more than economic. An example:

Building an Arts Block

The Garde Arts Center | New London, Connecticut

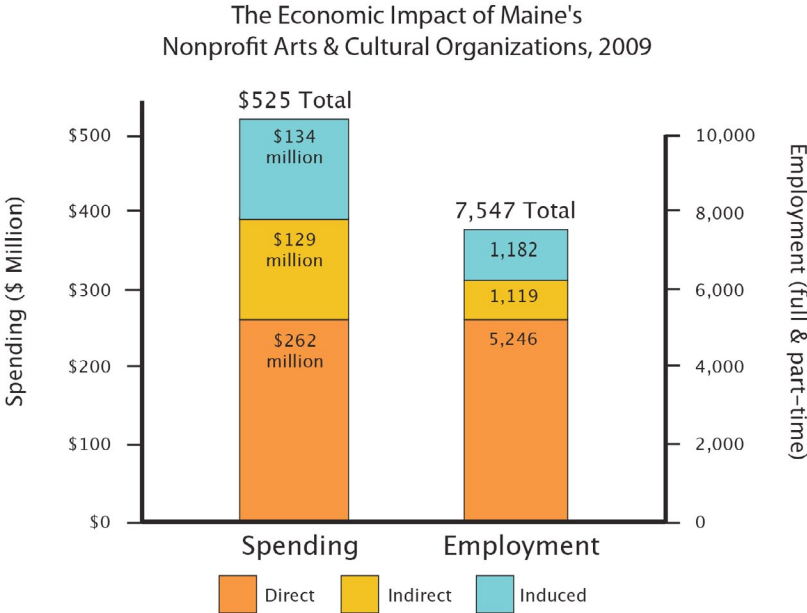
The Garde Arts Center in New London, Connecticut has stood the test of time. Since the community saved the historic 1,450-seat movie palace in 1985, the Garde Theater has become the centerpiece of an arts block of commercial and arts-related buildings all owned by the Garde Center. Together they serve as a regional community gathering place and have been a catalyst helping to revitalize downtown New London and southeastern Connecticut. Residents and visitors can experience the best in performing arts, film and educational programs. In addition, local organizations use the Garde's studio and meeting space, thus bringing more people downtown and creating demand for local merchants.

During the 2007-09 recession, when other businesses were struggling to survive, The Garde decided to invest in diversifying its income streams. An intimate 120-seat music venue, the Oasis Room, was added in 2008 to provide more nights of programming and to stimulate more Main Street activity. New art galleries and eateries opened in neighboring buildings and an existing flower shop started a jazz performance series in its space. These examples clearly indicate the commercial spin-off effects of a major arts investment. In 2009, the City decided to allocate more funding to the Garde so it could maintain an optimal level of programming to support critical education programs and the City's dining and shopping district. The New London community looks to the Garde Arts Center as an anchor that brings together businesses, other art venues (such as Hygienic Art), the education community, and the many partners and leaders from City government, as well as the tourism, science, and technology sectors. As the Garde creates new opportunities such as its new smaller theater and expanded uses of its performance, public function, and studio spaces, it shows other businesses that innovating and creating new revenue sources is critical to their business and their community.²⁵

²⁵ Interview with Steve Sigel, June 24, 2011.

Maine Highlights

Maine nonprofit arts and cultural enterprises constitute a major industry for the state. In 2009, the spending of their 2,292 arts and cultural organizations amounted to \$262 million, and they provided jobs for over 5,000 people. By comparison, this spending would rank 28th among 46 major sectors for which the U.S. Bureau of Economic Analysis reports gross product totals for the state, just behind the publishing sector (\$264 million) and just ahead of the plastics and rubber manufacturing sector (\$215 million). In terms of employment, the 5,246 jobs provided by the state’s arts and cultural organizations would rank it 37th among 65 major sectors for which the U.S. Bureau of Labor Statistics reports employment totals for the state, just behind fabricated metal products (5,290 full and part-time jobs in 2009) and just ahead of repair and maintenance services (4,963 full and part-time jobs).



Source: Spending data are from IRS data provided by the National Center for Charitable Statistics (NCCS) and stored in CultureCount, an online database maintained by New England Foundation for the Arts (NEFA). Employment data are derived from the U.S. Bureau of Labor Statistics data and Bureau of Economic Analysis gross state product data. They are not reported directly for nonprofits, but are derived from the average employment per spending ratios of the North American Industrial Classification (NAICS) codes each organization reports on its IRS forms or is assigned by NCCS.

The \$262 million spent by Maine’s nonprofit arts and cultural organizations in 2009 became \$129 million in sales to Maine vendors, meeting their needs down the various supply chains they use—everything from contractors and trades people to office supplies, advertising firms, and power companies. These were their indirect impacts. In addition, \$134 million became sales revenue to consumer-oriented businesses selling to those employed both by the nonprofit arts and cultural organizations and by their direct and indirect vendors. In sum, the total economic impact in 2009 of Maine’s 2,292 nonprofit arts and cultural organizations was \$525 million, supporting 7,547 jobs in Maine’s businesses. **In aggregate, every \$1.00 spent by a Maine nonprofit arts and cultural organization became \$2.00 in sales for businesses in Maine, and every job provided by a Maine nonprofit arts and cultural organization became 1.4 jobs for workers across the state.** Multipliers are based on the ratio of total economic impact to direct economic impact.

Economic Impact of Nonprofit Arts & Cultural Organizations, Maine and New England, 2009

MAINE	DIRECT	INDIRECT	INDUCED	TOTAL	MULTIPLIERS
Number of Organizations	2,292				
Spending (\$ million)	\$262	\$129	\$134	\$525	2.0
Employment	5,246	1,119	1,182	7,547	1.4

NEW ENGLAND	DIRECT	INDIRECT	INDUCED	TOTAL	MULTIPLIERS
Number of Organizations	18,026				
Spending (\$ million)	\$3,680	\$2,233	\$2,530	\$8,442	2.3
Employment	53,273	12,959	17,107	83,339	1.6

Source: Number of Organizations and direct spending figures come from IRS data provided by the National Center for Charitable Statistics (NCCS) and stored in CultureCount; indirect, induced, and total spending figures from IMPLAN model operated by Planning Decisions Inc. Employment data are derived from the U.S. Bureau of Labor Statistics data and Bureau of Economic Analysis gross state product data. They are not reported directly for nonprofits, but are derived from the average employment per spending ratios of the North American Industrial Classification (NAICS) codes each organization reports on its IRS forms or is assigned by NCCS.

The impact of nonprofit arts and cultural organizations is more than economic. An example:

Bringing the World to Waterville

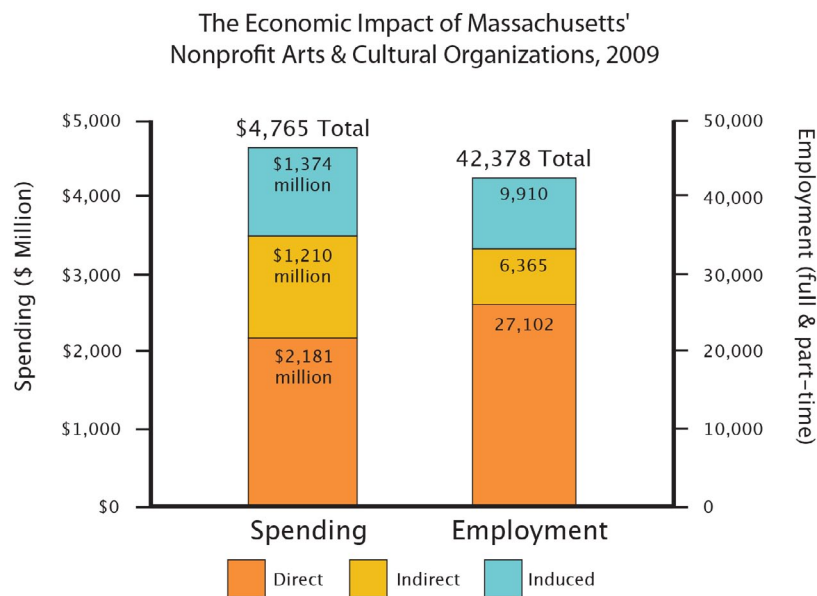
The Maine Film Center’s International Film Festival (MIFF) | Waterville, Maine

For generations, Waterville, Maine has been a mill town dependent on the paper industry, Colby College, its hospitals, and the seasonal tourists generated by its surrounding lakes region. In 1998, the Maine Film Center (formerly Friends of Art & Film in Central Maine) started the Maine International Film Festival (MIFF) to bring filmmakers to Waterville to share their cinematic dreams with fellow artists and independent film enthusiasts. When Shannon Haines started as a festival volunteer in 2002, people in the community were surprised and excited to see 4,000 visitors from nearby and across the nation come to their town of about 15,000 residents for a summer festival of independent films. Today Shannon is the MIFF executive director and the Festival continues to grow, recently surpassing 10,000 admissions. Shannon’s neighbors and colleagues who work in the downtown area in hotels, restaurants, bookstores, hardware stores, music stores and jewelry stores see the transformation of their downtown when the festival is happening. These downtown merchants are so pleased with the increase in business seen during the festival that many put banners in their store window welcoming MIFFERS...the local acronym for Maine International Film Festival fans. In addition to increasing Main Street’s retail sales, the festival has built “buzz” through guests such as actress Sissy Spacek, and director Jonathan Demme, as an incubator for talented, creative independent filmmakers. The creative spirit of visitors from near and far brings added vibrancy to this small downtown every summer and enacts the mission of the Maine Film Center to enrich, educate, and entertain through film and art.²⁶

²⁶ Interview with Shannon Haines and Mike Roy, June 28, 2011.

Massachusetts Highlights

Massachusetts nonprofit arts and cultural enterprises constitute a major industry for the state. In 2009, the spending of their 8,125 arts and cultural organizations amounted to nearly \$2.2 billion, and they provided jobs for over 27,000 people. By comparison, this spending would rank 28th among 46 major sectors for which the U.S. Bureau of Economic Analysis reports gross product totals for the state, just behind the information and data processing services sector (\$2.3 billion) and just ahead of the food manufacturing sector (\$2.1 billion). In terms of employment, the 27,102 jobs provided by the state's arts and cultural organizations would rank it 32nd among 65 major sectors for which the U.S. Bureau of Labor Statistics reports employment totals for the state, just behind fabricated metal products (30,551 full and part-time jobs in 2009) and just ahead of health and personal care stores (27,101 full and part-time jobs).



Source: Spending data are from IRS data provided by the National Center for Charitable Statistics (NCCS) and stored in CultureCount, an online database maintained by New England Foundation for the Arts (NEFA). Employment data are derived from the U.S. Bureau of Labor Statistics data and Bureau of Economic Analysis gross state product data. They are not reported directly for nonprofits, but are derived from the average employment per spending ratios of the North American Industrial Classification (NAICS) codes each organization reports on its IRS forms or is assigned by NCCS.

The \$2.18 billion spent by Massachusetts nonprofit arts and cultural organizations in 2009 became \$1.21 billion in sales to Massachusetts vendors, meeting their needs down the various supply chains they use—everything from contractors and trades people to office supplies, advertising firms and power companies. These were their indirect impacts. In addition, \$1.37 billion became sales revenue to Massachusetts consumer-oriented businesses selling to those employed both by the nonprofit arts and cultural organizations and by their vendors. In sum, the total economic impact in 2009 of Massachusetts 8,125 nonprofit arts and cultural organizations was nearly \$4.8 billion, supporting over 42,000 jobs in Massachusetts businesses. **In aggregate, every \$1.00 spent by a Massachusetts nonprofit arts and cultural organization became \$2.20 in sales for businesses in Massachusetts, and every job provided by a Massachusetts nonprofit arts and cultural organization became 1.6 jobs for workers across the state.** Multipliers are based on the ratio of total economic impact to direct economic impact.

Economic Impact of Nonprofit Arts & Cultural Organizations, Massachusetts and New England, 2009

MASSACHUSETTS	DIRECT	INDIRECT	INDUCED	TOTAL	MULTIPLIERS
Number of Organizations	8,125				
Spending (\$ million)	\$2,181	\$1,210	\$1,374	\$4,766	2.2
Employment	27,102	6,365	8,910	42,378	1.6

NEW ENGLAND	DIRECT	INDIRECT	INDUCED	TOTAL	MULTIPLIERS
Number of Organizations	18,026				
Spending (\$ million)	\$3,680	\$2,233	\$2,530	\$8,442	2.3
Employment	53,273	12,959	17,107	83,339	1.6

Source: Number of Organizations and direct spending figures come from IRS data provided by the National Center for Charitable Statistics (NCCS) and stored in CultureCount; indirect, induced, and total spending figures from IMPLAN model operated by Planning Decisions Inc. Employment data are derived from the U.S. Bureau of Labor Statistics data and Bureau of Economic Analysis gross state product data. They are not reported directly for nonprofits, but are derived from the average employment per spending ratios of the North American Industrial Classification (NAICS) codes each organization reports on its IRS forms or is assigned by NCCS.

The impact of nonprofit arts and cultural organizations is more than economic. An example:

Renovation Ripple Effects

The Hanover Theatre | Worcester, Massachusetts

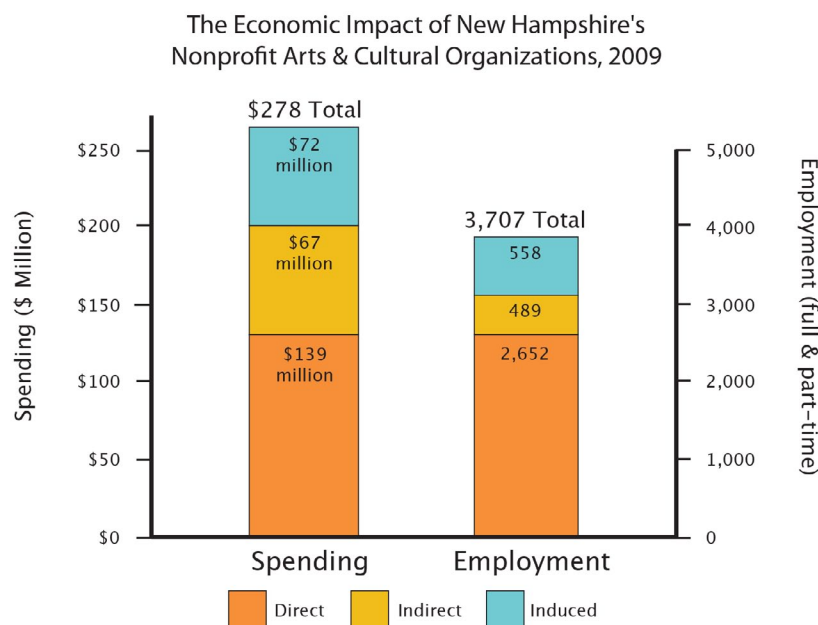
From 2004 to 2007, The Hanover Theatre in downtown Worcester embarked upon a \$31 million dollar building renovation, employing workers from the construction, architectural, design, and manufacturing sectors. These workers represent the indirect impact of the theatre's investment spending. Now that The Hanover has been restored and reopened, each performance creates jobs for performers, stagehands, stage managers, designers, musicians, and directors, in addition of course, to the theatre's 15 full-time and 250 part-time staff. These workers represent the direct impact of the theatre's operational spending.

The Hanover Theatre spends the majority of its \$6.5 million annual operating budget locally and partners with 18 restaurants and numerous hotels who all appreciate not only the influx of people who work and visit during each show, but also the regular educational programs, functions, and community events that bring local citizens downtown. 600,000 patrons have been drawn downtown in the past three years, and a Broadway show's cast alone can fill up to 40 hotel rooms for 3 nights. All of this provides significant revenue for local hotel owners, restaurants, and retail shops - the induced impact of the theatre's operation. Community members clearly see the value of these impacts as well - more than 230 volunteers give their time to The Hanover Theatre, for a total of more than 20,000 hours annually.²⁷

²⁷ Interview with Troy Siebels, June 24, 2011.

New Hampshire Highlights

New Hampshire nonprofit arts and cultural enterprises constitute a major industry for the state. In 2009, the spending of their 1,588 arts and cultural organizations amounted to over \$139 million, and they provided jobs for over 2,600 people. By comparison, this spending would rank 33rd among 46 major sectors for which the U.S. Bureau of Economic Analysis reports gross product totals for the state, just behind the information and data processing sector (\$158 million) and just ahead of the warehousing and storage sector (\$127 million). In terms of employment, the 2,652 jobs provided by the state's arts and cultural organizations would rank it 48th among 65 major sectors for which the U.S. Bureau of Labor Statistics reports employment totals for the state, just behind printing and related support services (2,841 full and part-time jobs in 2009) and just ahead of heavy and civil engineering construction sector (2,622 full and part-time jobs).



Source: Spending data are from IRS data provided by the National Center for Charitable Statistics (NCCS) and stored in CultureCount, an online database maintained by New England Foundation for the Arts (NEFA). Employment data are derived from the U.S. Bureau of Labor Statistics data and Bureau of Economic Analysis gross state product data. They are not reported directly for nonprofits, but are derived from the average employment per spending ratios of the North American Industrial Classification (NAICS) codes each organization reports on its IRS forms or is assigned by NCCS

The \$139 million spent by New Hampshire's nonprofit arts and cultural organizations in 2009 became \$67 million in sales for New Hampshire vendors, meeting their needs down the various supply chains they use—everything from contractors and trades people to office supplies, advertising firms and power companies. These were their indirect impacts. In addition, \$72 million became sales revenue to consumer-oriented businesses selling to those employed both by the nonprofit arts and cultural organizations and by their direct and indirect vendors. In sum, the total economic impact in 2009 of New Hampshire's nearly 1,600 nonprofit arts and cultural organizations was \$278 million, supporting over 3,700 jobs in New Hampshire businesses. **In aggregate, every \$1.00 spent by a New Hampshire nonprofit arts and cultural organization became \$2.00 in sales for businesses in New Hampshire, and every job provided by a New Hampshire nonprofit arts and cultural organization became 1.4 jobs for workers across the state.** Multipliers are based on the ratio of total economic impact to direct economic impact.

Economic Impact of Nonprofit Arts & Cultural Organizations, New Hampshire and New England, 2009

NEW HAMPSHIRE	DIRECT	INDIRECT	INDUCED	TOTAL	MULTIPLIERS
Number of Organizations	1,588				
Spending (\$ million)	\$139	\$67	\$72	\$278	2.0
Employment	2,652	498	558	3,707	1.4

NEW ENGLAND	DIRECT	INDIRECT	INDUCED	TOTAL	MULTIPLIERS
Number of Organizations	18,026				
Spending (\$ million)	\$3,680	\$2,233	\$2,530	\$8,442	2.3
Employment	53,273	12,959	17,107	83,339	1.6

Source: Number of Organizations and direct spending figures come from IRS data provided by the National Center for Charitable Statistics (NCCS) and stored in CultureCount; indirect, induced, and total spending figures from IMPLAN model operated by Planning Decisions Inc. Employment data are derived from the U.S. Bureau of Labor Statistics data and Bureau of Economic Analysis gross state product data. They are not reported directly for nonprofits, but are derived from the average employment per spending ratios of the North American Industrial Classification (NAICS) codes each organization reports on its IRS forms or is assigned by NCCS.

The impact of nonprofit arts and cultural organizations is more than economic. An example:

Combining Quality and Commerce **The League of New Hampshire Craftsmen**

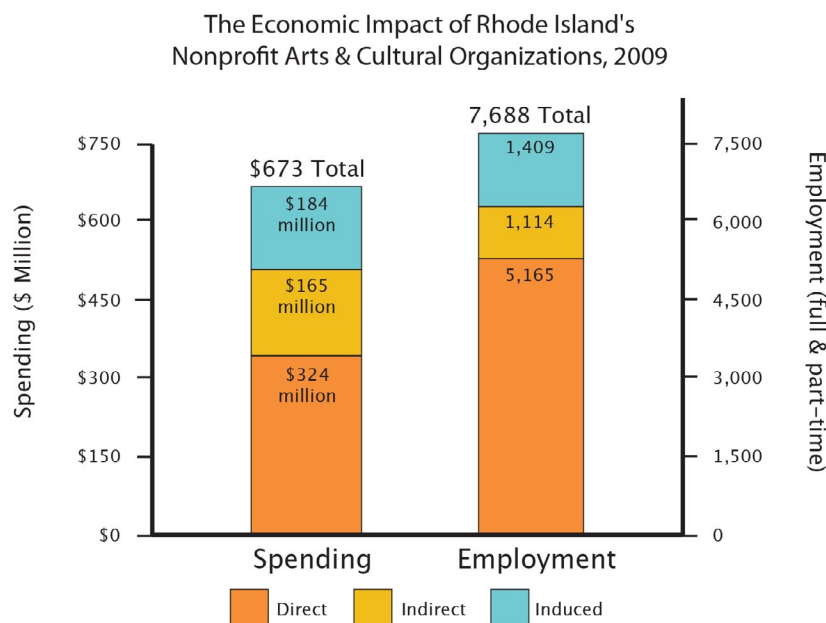
Founded in 1932, the League of New Hampshire Craftsmen is one of the oldest and most prestigious craft organizations in the country. Through the work of the League, more than 350 juried craftsmen show their work at eight affiliated galleries throughout the state. Collectively, the galleries' sales were over \$1.7 million this year, providing income to craftspeople, retail gallery owners, shipping companies, and print and media outlets that count on their advertising. In 2010, the Annual Craftsman's Fair in Newbury, NH brought 30,000 ticket holders to the nine-day event and filled the hotels, coffee shops, gas stations, and restaurants in the area. More than 350 craftspeople participated and reported over \$2 million in sales. The League also runs classes and programs for other artisans and the general public and pays these master craftspeople to teach their important skills.

The League illustrates the important economic impact achieved by a cooperative organization. Much as dairy co-ops multiply the buying and marketing power of an association of farmers, so the League multiplies the power of first-rate New Hampshire craftsmen. As a juried organization, the League can maintain an assured level of quality, thus protecting its brand. At the same time, by advertising that brand and providing a venue for bringing products to market, the League helps its members achieve sales far above what they could reach on their own.²⁸

²⁸ Interview with Susie Lowe-Stockwell, June 27, 2011.

Rhode Island Highlights

Rhode Island nonprofit arts and cultural enterprises constitute a major industry for the state. In 2009, the spending of their 1,163 arts and cultural organizations amounted to over \$324 million, and they provided jobs for nearly 5,200 people. By comparison, this spending would rank 23rd among 46 major sectors for which the U.S. Bureau of Economic Analysis reports gross product totals for the state, just behind the chemicals and biotechnology sector (\$399 million), just ahead of the print and software publishing sector (\$313 million) and approximately one-half the size of the securities, commodities and investment services sector the state is trying so hard to recruit (\$643 million). In terms of employment, the 5,165 jobs provided by the state's arts and cultural organizations would rank it 27th among 65 major sectors for which the U.S. Bureau of Labor Statistics reports employment totals for the state, just behind health and personal care products (5,631 full and part-time jobs in 2009) and just ahead of motor vehicle and parts dealers (5,058 full and part-time jobs).



Source: Spending data are from IRS data provided by the National Center for Charitable Statistics (NCCS) and stored in CultureCount, an online database maintained by New England Foundation for the Arts (NEFA). Employment data are derived from the U.S. Bureau of Labor Statistics data and Bureau of Economic Analysis gross state product data. They are not reported directly for nonprofits, but are derived from the average employment per spending ratios of the North American Industrial Classification (NAICS) codes each organization reports on its IRS forms or is assigned by NCCS.

The \$324 million spent by Rhode Island's nonprofit arts and cultural organizations in 2009 became \$165 million in sales to Rhode Island vendors, meeting their needs down the various supply chains they use—everything from contractors and trades people to office supplies, advertising firms and power companies. These were their indirect impacts. In addition, \$184 million became sales revenue to consumer-oriented businesses selling to those employed both by the nonprofit arts and cultural organizations and by their direct and indirect vendors. In sum, the total economic impact in 2009 of Rhode Island's nearly 1,200 nonprofit arts and cultural organizations was \$673 million, supporting over 7,688 jobs in Rhode Island businesses. **In aggregate, every \$1.00 spent by a Rhode Island nonprofit arts and cultural organization became \$2.10 in sales for businesses in Rhode Island, and every job provided by a Rhode Island nonprofit arts and cultural organization became 1.5 jobs for workers across the state.** Multipliers are based on the ratio of total economic impact to direct economic impact.

Economic Impact of Nonprofit Arts & Cultural Organizations, Rhode Island and New England, 2009

RHODE ISLAND	DIRECT	INDIRECT	INDUCED	TOTAL	MULTIPLIERS
Number of Organizations	1,163				
Spending (\$ million)	\$324	\$165	\$184	\$673	2.1
Employment	5,165	1,114	1,409	7,688	1.5

NEW ENGLAND	DIRECT	INDIRECT	INDUCED	TOTAL	MULTIPLIERS
Number of Organizations	18,026				
Spending (\$ million)	\$3,680	\$2,233	\$2,530	\$8,442	2.3
Employment	53,273	12,959	17,107	83,339	1.6

Source: Number of Organizations and direct spending figures come from IRS data provided by the National Center for Charitable Statistics (NCCS) and stored in CultureCount; indirect, induced, and total spending figures from IMPLAN model operated by Planning Decisions Inc. Employment data are derived from the U.S. Bureau of Labor Statistics data and Bureau of Economic Analysis gross state product data. They are not reported directly for nonprofits, but are derived from the average employment per spending ratios of the North American Industrial Classification (NAICS) codes each organization reports on its IRS forms or is assigned by NCCS.

The impact of nonprofit arts and cultural organizations is more than economic. An example:

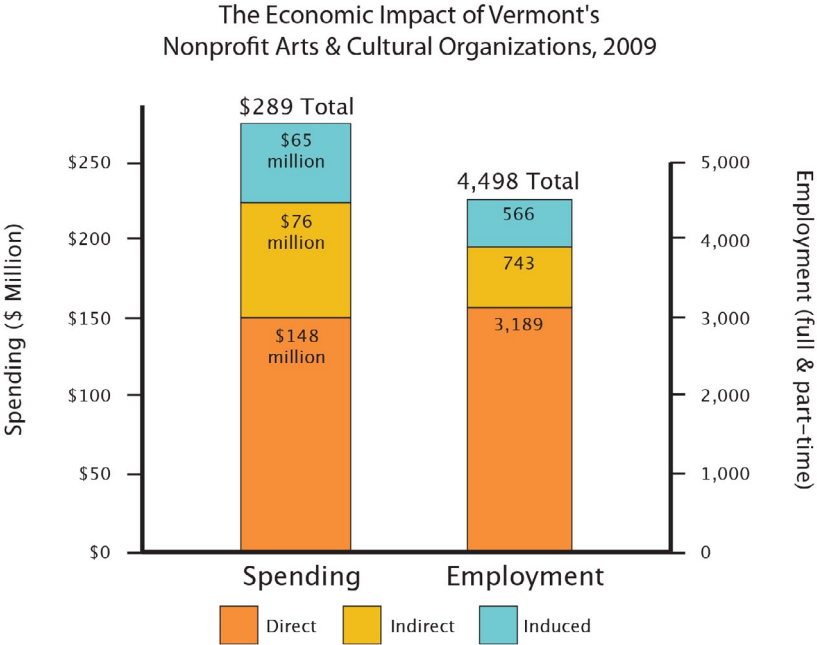
From Art Gallery to Community Hub **AS220 | Providence, Rhode Island**

AS220 is a nonprofit community arts space in downtown Providence founded in 1985 on a unique mission: to provide an unjuried and uncensored forum for the arts. This simple mission caused a stir, but with this idealism and \$800, founders Umberto Crenca, Susan Clausen, and Scott Seaboldt rented a loft at 220 Weybosset Street and hung their works on the walls. The arts community was skeptical. Back then, young creative people and their ideas were fleeing the city of Providence. AS220 believed the city's artists could turn that trend around, and now, more than 25 years later, AS220 is a community headquarters with a \$2.6 million budget and three mixed-use buildings (more than 100,000 square feet!) to its name. AS220's Empire Street Complex is an art gallery (three of them, actually); a restaurant-bar-venue for jazz, folk, hip hop, poetry slams, panel discussions, or just sitting; a community of artists in residence with nearly a dozen creatives renting live/work studios upstairs for just \$98 to \$446 a month (utilities included); and a youth program focused on at-risk teens offering free classes in music, dance, writing, and visual arts. And that's just the tip of the iceberg. AS220 has two more mixed-use buildings housing a publicly accessible print shop, digital darkroom, lighting studio, and high-tech personal fabrication lab, as well as a few locally grown commercial and nonprofit tenants. AS220 has also pioneered an arts immersion program at the Rhode Island Training School, the state's juvenile detention facility. By tapping into creative potential that is often overlooked, this exposure to the arts provides a powerful alternative. Upon departure from the Training School, AS220 Youth offers the opportunity to continue this initial arts experience. AS220's mission has expanded - the organization has evolved from a presenter to an incubator and educator, but still sticks to its original core elements of inclusion, variety, and community building.²⁹

²⁹ Interview with Umberto Crenca, June 27, 2011.

Vermont Highlights

Vermont nonprofit arts and cultural enterprises constitute a major industry for the state. In 2009, the spending of their 1,532 arts and cultural organizations amounted to over \$148 million, and they provided jobs for over 3,100 people. By comparison, this spending would rank 24th among 46 major sectors for which the U.S. Bureau of Economic Analysis reports gross product totals for the state, just behind the publishing sector (\$204 million) and just ahead of the securities, commodity contracts and investment sector (\$136 million). In terms of employment, the 3,189 jobs provided by the state’s arts and cultural organizations would rank it 27th among 65 major sectors for which the U.S. Bureau of Labor Statistics reports employment totals for the state, just behind building material and garden supply stores (3,452 full and part-time jobs in 2009) and just ahead of the real estate and rental leasing sector (3,157 full and part-time jobs).



Source: Spending data are from IRS data provided by the National Center for Charitable Statistics (NCCS) and stored in CultureCount, an online database maintained by New England Foundation for the Arts (NEFA). Employment data are derived from the U.S. Bureau of Labor Statistics data and Bureau of Economic Analysis gross state product data. They are not reported directly for nonprofits, but are derived from the average employment per spending ratios of the North American Industrial Classification (NAICS) codes each organization reports on its IRS forms or is assigned by NCCS.

The \$148 million spent by Vermont’s nonprofit arts and cultural organizations in 2009 became \$76 million in sales to Vermont vendors, meeting their needs down the various supply chains they use—everything from contractors and trades people to office supplies, advertising firms and power companies. These were their indirect impacts. In addition, \$65 million became sales revenue to consumer-oriented businesses selling to those employed both by the nonprofit arts and cultural organizations and by their direct and indirect vendors. In sum, the total economic impact in 2009 of Vermont’s over 1,500 nonprofit arts and cultural organizations was \$289 million, supporting nearly 4,500 jobs in Vermont businesses. **In aggregate, every \$1.00 spent by a Vermont nonprofit arts and cultural organization became \$2.00 in sales for businesses in Vermont, and every job provided by a Vermont nonprofit arts and cultural organization became 1.4 jobs for workers across the state.** Multipliers are based on the ratio of total economic impact to direct economic impact.

Economic Impact of Nonprofit Arts & Cultural Organizations, Vermont and New England, 2009

VERMONT	DIRECT	INDIRECT	INDUCED	TOTAL	MULTIPLIERS
Number of Organizations	1,532				
Spending (\$ million)	\$148	\$76	\$65	\$289	2.0
Employment	3,189	743	566	4,498	1.4

NEW ENGLAND	DIRECT	INDIRECT	INDUCED	TOTAL	MULTIPLIERS
Number of Organizations	18,026				
Spending (\$ million)	\$3,680	\$2,233	\$2,530	\$8,442	2.3
Employment	53,273	12,959	17,107	83,339	1.6

Source: Number of Organizations and direct spending figures come from IRS data provided by the National Center for Charitable Statistics (NCCS) and stored in CultureCount; indirect, induced, and total spending figures from IMPLAN model operated by Planning Decisions Inc. Employment data are derived from the U.S. Bureau of Labor Statistics data and Bureau of Economic Analysis gross state product data. They are not reported directly for nonprofits, but are derived from the average employment per spending ratios of the North American Industrial Classification (NAICS) codes each organization reports on its IRS forms or is assigned by NCCS.

The impact of nonprofit arts and cultural organizations is more than economic. An example:

Growing on the High Wire

New England Center for Circus Arts | Brattleboro, Vermont

When twins Serenity and Elsie were 16 they saw their first circus; when they mastered the trapeze at age 27, they joined Cirque de Soleil; and when they traveled the world, other people who wanted to learn to fly on a trapeze sought their expert advice so they too could become the best at aerial circus performance. Then Serenity became Serenity Smith Forchion and decided to start her family in Brattleboro, Vermont. As Serenity's family grew, so did the twin's teaching practice, and in 2006 they created the New England Center for Circus Arts. Serenity and Elsie recruited a Board of Directors, hired seven teachers, and launched a new enterprise that grew to become an economic engine for downtown Brattleboro. Now, in 2011, the New England Center for Circus Arts has created jobs for 20 people and teaches over 700 students annually the experience of flying through the air. The 2009 graduates from the professional training program have had a 100% placement rate in their profession, and hotels and restaurants in the area report more business when circus performer students come to town for classes and workshops. Serenity and Elsie are the perfect example of artistic human capital. During their years with Cirque de Soleil, they acquired a wealth of experience and skill. In 2006, they invested that wealth in Brattleboro and used it to build a business, which created new jobs. By making all of New England attractive to similarly "wealthy" artists, the region's nonprofit arts and cultural organizations serve as an economic recruiter attracting other potential economic engines to their area.³⁰

³⁰Interview with Serenity Smith Forchion, June 23, 2011.

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NEFA **supports artists**
with grants and
professional resources;
establishes vital
connections between
artists, arts programmers,
and the public; and
strengthens the region's
creative economy
through research that
informs public policy.



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